

# Home Buyer and Seller Generational Trends Report

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2018



National Association of REALTORS® Research Department



# Introduction

Since 2013, the National Association of REALTORS® has been writing the **Home Buyers and Sellers Generational Trends Report**. This report provides insights into differences and similarities across generations of home buyers and sellers. The home buyer and seller data is taken from the annual *Profile of Home Buyers and Sellers*.

One consistent finding for the last several years of reports has been that **buyers 37 years and younger (Millennials/Gen Yers)** is the largest share of home buyers at 36 percent. Sixty-five percent of these buyers were also first-time home buyers. The largest cohort in America is growing up and becoming more traditional in their buying habits. This year's report saw an increased share who purchased in suburban locations and who purchased detached single-family homes. Forty-eight percent of buyers 37 years and younger now have children under the age of 18 in their home, 66 percent are married couples, and 15 percent are unmarried couples (the largest share of all generations).

**Buyers 38 to 52 (Gen Xers)** consists of 26 percent of recent home buyers. They are consistent with their buying trends and demographics. Notably, they are also the most racially and ethnically diverse population of home buyers, with 26 percent

identifying they are a race other than White/Caucasian. Buyers 38 to 52 are in their peak earning years and thus their incomes are the highest among all generations of buyer types at \$104,700. They are both the generation most likely to be married and most likely to have children under the age of 18 in their home. Their housing preferences are driven by these demographics. Buyers 38 to 52 purchase the highest median priced homes of all other buyers and buy the largest homes in median square footage. Their neighborhood choices are driven by their convenience to job, but also the quality and convenience of school districts.

For the report, **buyers 53 to 62 (Younger Baby Boomers)** and **buyers 63 to 71 (Older Baby Boomers)** were broken into two separate categories as they have differing demographics and buying behaviors. Buyers 53 to 62 consist of 18 percent of recent buyers and buyers 63 to 71 consist of 14 percent of recent buyers. Buyers 53 to 62 have higher median household incomes and are more likely to have children under the age of 18 in their home. Buyers 53 to 62 are also the most likely to buy a multi-generational home at 20 percent. As the sandwich generation, they are equally likely to buy this type of home for both children over the age of 18 living at home and caretaking for



# Introduction

aging parents. Buyers 53 to 62 buy for an array of reasons such as a job-relocation, desire for a smaller home, and the desire to own a home of their own. Buyers 53 to 62 also project the length of time they will live in their home is the longest at 20 years. Buyers 63 to 71 are often moving due to retirement, desire to be closer to friends and family, and desire for a smaller home. Buyers 63 to 71 typically move the longest distance at a median of 30 miles and are less likely to make compromises on their home purchase.

**Buyers 72 to 92 (The Silent Generation)** represents the smallest share of buyers at six percent. As most of these buyers are likely to have retired or scaled back their work demands, they have the lowest median household incomes. The primary reasons to purchase are the desire to be closer to friends and family, the desire for a smaller home, and for retirement. Buyers 72 to 92 are least likely to purchase a detached single-family home. Twenty-eight percent purchased in senior-related housing and they tend to purchase the newest homes.

**How to finance the home purchase** has stayed similar to what buyers reported in past years. Eighty-eight percent of home buyers financed their home purchase—a share that decreases as the age of the buyer

increases. Among those who did have debt, that debt hindered the ability to save for a downpayment. Student loan debt is one of the debts that buyers may have. In fact, 46 percent of buyers 37 years and younger that had debt reported having student loan debt with a median loan balance of \$25,000. The share who have student loan debt declines as the buyer's age increases. While only 26 percent of buyers 38 to 52 have student loan debt, they have the highest median balance of debt at \$28,000. This may be due to not only their personal educational loans, but accumulating debt from their children's education loans. Buyers are also coming back from distressed sales. While nine percent of buyers did buy after a distressed sale, the share rises to 13 percent among those aged 38 to 52. Buyers 37 and younger are most likely to believe their home purchase is a good financial investment.

**Among home sellers**, those aged 38 to 52 years make up the largest generation of sellers at 26 percent, followed by sellers 53 to 62 at 23 percent. Consistent with past reports, sellers 52 years and younger tend to trade up to a larger and more expensive home when they buy. Sellers 53 to 62 stay at similarly priced and sized homes. Sellers 63 years and older are often downsizing to a lower priced home when they buy.



# Introduction

However, this does not necessarily mean a smaller home. Among all sellers, 10 percent wanted to move earlier than they did, but could not because their home was worth less than their mortgage balance. This was most common among sellers 38 to 52—17 percent had the situation that they could not sell when they wanted to originally.

**All generations of buyers continue to consult a real estate agent or broker to help them buy and sell their home.** Buyers need the help of a real estate professional to help them find the right home, negotiate terms of sale, and help with price negotiations. Sellers, as well, turn to professionals to help market their home to potential buyers, sell within a specific timeframe, and price their home competitively.



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# NATIONAL ASSOCIATION OF REALTORS®

## 2018 Home Buyer and Seller Generational Trends

### Highlights

#### Characteristics of Home Buyers

- First-time buyers made up 34 percent of all home buyers, a decrease from last year at 35 percent. Sixty-five percent of buyers 37 years and younger were first-time buyers, followed by buyers 38 to 52 years at 24 percent.
- At 34 percent, buyers 37 years and younger continue to be the largest generational group of buyers with a median age of 31. Buyers between the ages of 38 to 52 were have the highest household incomes among any other generation at \$104,700, followed by buyers between 53 to 62 that had an income at \$94,000.
- Sixty-five percent of recent buyers were married couples, 18 percent were single females, seven percent were single males, and eight percent were unmarried couples. The highest percentage of single female buyers was found in the 72 and older age group. The highest share of unmarried couples were found in the 37 and younger age group.
- Thirty-seven percent of all buyers had children under the age of 18 living at home.
- Sixty percent of buyers between 38 to 52 years had at least one child under the age of 18 residing in the home.
- Thirteen percent of home buyers purchased a multi-generational home to take care of aging parents, for cost savings, and because children over the age of 18 are moving back. One in five buyers aged 53 to 62 purchased a multi-generational home. Buyers 72 to 92 years was the second largest share at 17 percent.
- The 38 to 52 age group showed to be the most racially diverse group of buyers in 2017. Twenty-six percent of this group of buyers identified as Hispanic/Latino, black/African American, or Asian/Pacific Islander.
- The most common reasons for recently purchasing a home differed between the generations. For all three groups under the age of 62 years, the main reason for purchasing was the desire to own a home of their own. Among the 63 and older age groups, the desire to be closer to friends and family was the top reason to purchase at 25 percent. Buyers between 72 and 92 years also purchased for the desire for a smaller home at 19 percent.

#### Characteristics of Homes Purchased

- Buyers of new homes made up 15 percent and buyers of previously owned homes made up 85 percent. For buyers 37 years and younger, 11 percent bought new homes again this year. Twenty-one percent of buyers aged 63 to 71 years bought new homes.
- Most recent buyers who purchased new homes were looking to avoid renovations and problems with plumbing or electricity at 36 percent. Buyers who purchased previously owned homes were most often considering a better price at 32 percent. For buyers 37 years and younger, 47 percent bought new homes to avoid renovations and problems





compared to 19 percent of buyers 72 years and older.

- The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased. It is most common among buyers under 71 years, while buyers over 72 purchase condos and townhomes at higher shares.
- Senior-related housing accounted for 13 percent of buyers over the age of 50; that number was eight percent for buyers 53 to 62 years and 28 percent for buyers 72 years and older.
- There was only a median of 15 miles from the homes that recent buyers previously resided in and the homes that they purchased. For buyers 63 to 71 years, the median distance was 30 miles and for buyers 37 and younger the median was 10 miles.
- The typical home recently purchased was 1,870 square feet, had three bedrooms and two bathrooms, and was built in 1991. The size of homes for buyers 38 to 52 years was typically larger homes at 2,020 square feet, compared to buyers 37 years and younger and 72 years and older that purchased homes at a median of 1,800. For buyers 37 years and younger, the median home was built in 1983; for ages 63 and older, the median was 1998.
- Heating and cooling costs were the most important environmental features for recent home buyers, with 34 percent finding these features very important.
- For buyers 37 years and younger, commuting costs were very important at 35 percent. Compared to buyers 63 to 71, windows, doors, and siding were also very important at 35 percent.
- Overall, buyers expect to live in their homes for a median of 15 years, while 18 percent say that they are never moving. For buyers 37 years and younger, the expected length of time is only 10 years compare to 20 years for buyers 53 to 62 years.

## The Home Search Process

- Among nearly all generations of home buyers, the first step taken was to look online for properties, except for buyers 72 years and older who contacted a real estate agent first.
- Buyers typically searched for 10 weeks and looked at a median of 10 homes. The length of the home search was the longest for buyers 53 to 71 years at 10 weeks. For all other generations, buyers searched for eight weeks. Buyers 38 to 71 viewed a median of 10 homes this year, nine homes for buyers 37 years and younger and just six homes of buyers 72 years and older.
- When looking during the home search process, buyers 37 and younger were the most likely generation to consider purchasing a home that was in foreclosure.
- As a result of an internet home search, buyers most often walked through the home that they viewed online. Buyers 37 years and younger saw the exterior of homes because of searching online for properties. The most important website feature was photos for nine in 10 buyers under the age of 62. Virtual tours were most important to buyers age 53 to 71 who were also moving the longest distance.
- Buyers of all generations were overall very satisfied with their home buying process. Buyers 63 to 71 years were the most satisfied of any generation with the buying process at 93 percent.



## Home Buying and Real Estate Professionals

- Eighty-seven percent of all buyers purchased their home through an agent, as did 90 percent of buyers 37 years and younger and 84 percent of buyers 63 years and older. Nine percent of buyers 72 and older purchased their homes directly from the previous owner.
- Buyers from all generations primarily wanted their agent's help to find the right home to purchase at 52 percent. Buyers were also looking for help to negotiate the terms of sale and to help with price negotiations.
- Help understanding the purchase process was most beneficial to 37 years and younger buyers at 75 percent.
- Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among younger buyers such as 37 years and younger (48 percent) and 38 to 52 (39 percent) compared to older generations.
- When choosing an agent to work with, working with an agent that is honest and trustworthy was the most important factor for buyers.
- Seven in 10 buyers interviewed only one real estate agent during their home search.
- Eighty-nine percent of buyers would use their agent again or recommend their agent to others, also consistent across all generations.

## Financing the Home Purchase

- Eighty-eight percent of recent buyers financed their home purchase. Ninety-eight percent of buyers 37 years and younger financed, whereas only 70 percent of buyers aged 63 to 71 years financed their home, and 53 percent 72 years and older.
- For 59 percent of buyers, their downpayment came from their savings and 38 percent from the proceeds from the sale of a primary residence. Seventy-five of buyers 37 years and younger used savings for their downpayment compared to only 42 percent of buyers 63 to 71 years. Buyers 72 years and older used proceeds from a previous sale more than any other generation at 57 percent.
- Thirteen percent of all buyers cited that saving for a downpayment was most difficult step in the home buying process. For buyers 37 years and younger, this was 24 percent compared to only two percent of buyers 63 to 71 years.
- Twenty-six percent of all buyers reported having student loan debt with a median amount of \$25,000. For buyers 37 years and younger, 46 percent have student debt with a median amount of \$27,000 compared to just four percent for buyers 63 to 71 years. Buyers 72 years and older had the lowest median amount of debt at \$15,000, while buyers aged 38 to 52 had the highest amount of debt at \$28,000.
- Fifty-eight percent of all buyers used conventional loans to finance their home. Only 55 percent of buyers 37 years and younger used a conventional loan compared to 68 percent of buyers 63 to 71 years.
- Eighty-three percent of all buyers reported they view a home purchase as a good investment. Eighty-six percent of buyers 37 years and younger said owning a home was a good financial investment.





## Home Sellers and Their Selling Experience

- Sellers 38 to 52 years made up 26 percent of all sellers, had a median age of 45 years, and reported the highest income of \$123,600. Sellers 53 to 62 years made up the second largest share at 23 percent and had a median age of 58 years. Sellers 72 years and older had the lowest income of \$72,300.
- Seventy-four percent of sellers were married couples. Married couples were the highest for sellers 37 and younger at 87 percent and the lowest for sellers 72 years and over at 64 percent.
- Seventy-three percent of all sellers moved within the same state. For sellers 37 years and younger, 81 percent purchased in the same state compared to 65 percent of sellers 63 to 71 years.
- For all sellers, the most commonly cited reason for selling their home was that it was too small (16 percent), followed by the desire to move closer to friends and family (14 percent), and a job relocation (11 percent). For sellers 37 and under, they cited that the home was too small (34 percent), which was higher than any other age group. For sellers 63 years and over, they cited they wanted to be closer to friends and family (28 percent). Sellers 38 to 52 years cited that the home was too small (20 percent) and selling for a job relocation (18 percent).
- Sellers typically lived in their home for 10 years before selling. Sellers 37 years and younger stayed in their home for six years compared to 16 years for sellers 72 years and older.
- Nine in 10 home sellers worked with a real estate agent to sell their home, which is consistent across all age groups.
- For recently sold homes, the final sales price was a median 99 percent of the final listing price. Sellers 38 to 71 years, the final sales price was 98 percent of the listing price.
- Recently sold homes were on the market for a median of three weeks. For sellers 37 years and younger, time on market was a median of two weeks and a median of six weeks for sellers 72 years and older.
- Thirty-seven percent of all sellers offered incentives to attract buyers. This varies across age groups where it was less likely for sellers 72 years and over to offer incentives and more likely for sellers 37 years and younger.
- This year, home sellers cited that they sold their homes for a median of \$47,500 more than they purchased it. Sellers 37 years and younger gained the least at \$29,000 in equity compared to sellers 72 years and over that gained \$60,000 in equity as they likely had lived in their homes for a longer period of time.
- Sixty-two percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and consistent across all age groups.

## Home Selling and Real Estate Professionals

- Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past. That number jumps to 71 percent for home sellers aged 37 and younger.
- Fifty-three percent of sellers used the same agent to buy and sell their homes. As distance



and age increases, using the same agent declines.

- Nine in ten sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.
- The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 38 percent for sellers 37 years and younger.
- Seventy-five percent said that they would definitely (67 percent) or probably (eight percent) recommend their agent for future services. Sellers 37 years and younger were the most likely to recommend their agent (87 percent).



# NATIONAL ASSOCIATION OF REALTORS® 2018 Home Buyer and Seller Generational Trends

## CHAPTER 1: CHARACTERISTICS OF HOME BUYERS

The Millennial Generation this year is 37 years old and younger. Generation X is 38 to 52, Younger Boomers are 53 to 62, Older Boomers are 63 to 71, and the Silent Generation are aged 72 to 92. Buyers 37 years old and younger made up the largest generation of home buyers in 2017 at 36 percent. Sixty-five percent of buyers 37 years and younger were first-time buyers, followed by buyers 38 to 52 years at 24 percent. In 2017, buyers 38 to 52 had the highest median household income at \$104,700.

Married couples comprised the majority of household compositions; followed by single females, unmarried couples, and single males. One in five home buyers aged 53 to 62 purchased a multi-generational home. The most common reason for purchasing a multi-generational home for all age groups was for the health and caretaking of aging parents. For all three groups under the age of 62 years, the main reason for purchasing a home was the desire to own a home of their own.

### DEMOGRAPHIC CHARACTERISTICS OF HOME BUYERS

#### Exhibits 1-1 through 1-5

At 36 percent (up from 34 percent last year), buyers 37 years and younger (Millennials) continue to be the largest generational group of home buyers. Buyers 53 to 71 (Baby Boomers) made up the second largest generational group of home buyers at 32 percent. Buyers aged 28 to 52 (Gen Xers) made up the third largest category of buyers at 26 percent. Buyers 72 years and over (Silent Generation) saw a slight decrease to six percent from eight in 2016, with a median age of 75.

The median household income of home buyers for 2016 rose again this year to \$88,800 from \$88,500 in last year's report. Home buyers between the age of 38 and 52 reported the highest household income among generations at \$104,700, down from \$106,600 in the previous year. Buyers between 53 and 62 had the second highest income at \$94,000 (up from \$93,800), followed by 37 and younger at \$88,200 (up from \$82,000), 63 to 71 at \$80,700 (up from \$76,800), and 72 to 92 at \$69,400 (up from \$66,600).

Among all age groups, the household composition was primarily married couples; followed by single females, unmarried couples, and single males. The 72 and older age group had the highest percentage of single female home buyers. Fifteen percent of buyers 37 and younger were unmarried couples. Thirty-seven percent of all buyers had children under the age of 18 living at home. Ninety-seven percent of buyers between 72 and 92, and 94 percent of buyers 63 to 71 years had no children under the age of 18





living with them. In contrast, 60 percent of buyers between 38 and 52 had children under the age of 18 residing in the home.

One in five home buyers aged 53 to 62 purchased a multi-generational home. Buyers 72 to 92 was the second largest share at 17 percent. Fifteen percent of buyers between 38 and 52, 14 percent of buyer between 63 and 71, and only eight percent of buyers under 37 purchased a multi-generational home. For buyers of all generations, the most common reason for purchasing a multi-generational home was for the health and caretaking of aging parents. Other popular reasons for purchasing a multi-generational home included cost savings and children/relative over 18 moving back into the house or never leaving from the home.

### **RACE, ETHNICITY, LANGUAGE AND NATIONAL ORIGIN OF BUYERS** **Exhibits 1-6 through 1-9**

In 2017, four percent of buyers 37 and younger, five percent of buyers 38 to 52, and five percent of those 53 to 62 identified as gay, lesbian, or bisexual. The 38 to 52 age group were the most racially diverse group of home buyers in 2017. Twenty-six percent of home buyers 38 to 52 identified as Hispanic/Latino, black/African American, or Asian/Pacific Islander. Only 22 percent of buyer under 37 years, 18 percent of 53 to 62, and 12 percent of buyers 63 to 71 identifies as a race other than White/Caucasian.

English was the primary language spoken, with all generations experiencing increases from 2016. The majority of recent home buyers were born in the U.S. Foreign buyers were most common within the 38 to 52 age range (15 percent), followed by 37 and younger (nine percent), 53 to 62 (eight percent), 63 to 71 (six percent), and 72 and older (three percent).

### **DEMOGRAPHIC CHARACTERISTICS OF FIRST-TIME AND REPEAT HOME BUYERS** **Exhibits 1-10 through 1-14**

A majority of buyers 37 and younger were first-time buyers at 65 percent in 2017. Among other buyers, the 38 to 52 age group had the second highest percentage of first-time buyers at 24 percent, a decrease from 36 percent in 2015. Looking at all other age categories, recent buyers most often rented an apartment or house prior to purchasing their home. Buyers 37 and younger were the most likely to be first-time buyers, and they were also the most likely to have rented an apartment or house (56 percent) or have lived with parents, relatives, or friends (18 percent).

The most common reasons for recently purchasing their home differed between some generations. For all three groups under the age of 62 years, the main reason for purchasing was the desire to own a home of their own. Looking at buyers 63 and older, the desire to be closer to friends and family was the top reason to purchase at 25 percent.



When looking at the timing of purchasing their home, buyers across all generations said that it was just the right time, and they were ready to buy a home. Among all generations, the second most common reason for the timing of their purchase was that they did not have much choice, and had to purchase when they did.

The majority of buyers from all generations owned only the home that they recently purchased. Buyers between 38 and 71, three age groups, were also likely to own one or more investment properties (nine to 11 percent). Buyers between 63 and 92 were the largest share that owned one or more vacation homes (seven percent) and who still owned a previous home that they were trying to sell (six and seven percent respectively).



## CHARACTERISTICS OF HOME BUYERS

- Exhibit 1-1 AGE OF HOME BUYERS
- Exhibit 1-2 HOUSEHOLD INCOME OF HOME BUYERS
- Exhibit 1-3 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS
- Exhibit 1-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD  
HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT CHILDREN, PARENTS, AND/OR GRANDPARENTS)
- Exhibit 1-5 HOME BUYER SEXUAL ORIENTATION
- Exhibit 1-6 RACE/ETHNICITY OF HOME BUYERS
- Exhibit 1-7 PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD
- Exhibit 1-8 NATIONAL ORIGIN OF HOME BUYERS
- Exhibit 1-9 FIRST-TIME HOME BUYERS IN AGE GROUP
- Exhibit 1-10 PRIOR LIVING ARRANGEMENT
- Exhibit 1-11 PRIMARY REASON FOR PURCHASING A HOME
- Exhibit 1-12 PRIMARY REASON FOR THE TIMING OF HOME PURCHASE
- Exhibit 1-13 OTHER HOMES OWNED



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-1

### **AGE OF HOME BUYERS**

*(Percentage Distribution)*

	Year Born:	Age in 2017:	Percent in Category	Median Age in Group
Younger Gen Y/Millennials:	1990-1998	27 to 20	8%	26
Older Gen Y/Millennials:	1980-1989	28 to 37	28	33
Gen X:	1965-1979	38 to 52	26	45
Younger Boomers:	1955-1964	53 to 62	18	58
Older Boomers:	1946-1954	63 to 71	14	66
Silent Generation:	1925-1945	72 to 92	6	75

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-2

### HOUSEHOLD INCOME OF HOME BUYERS

(Percentage Distribution)

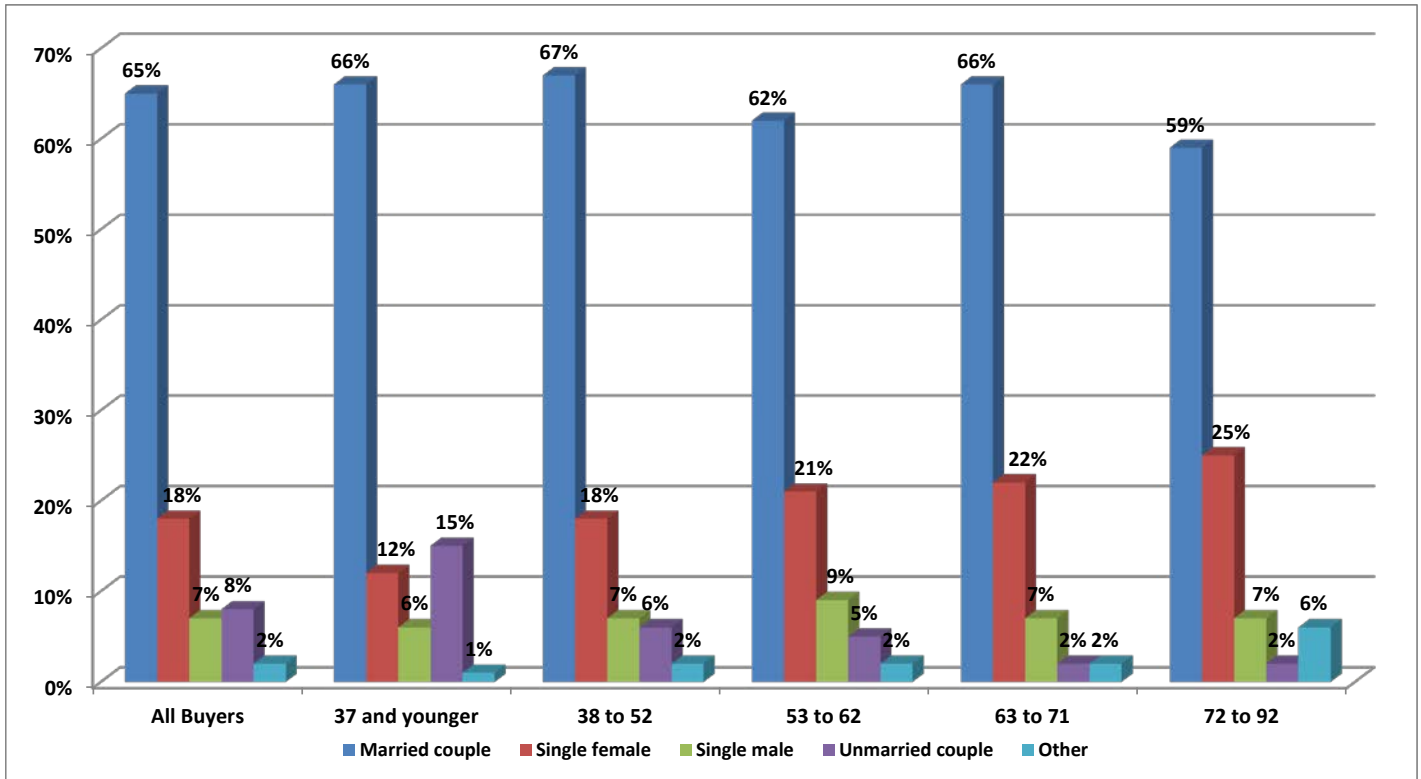
	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than \$25,000	3%	2%	1%	3%	5%	7%
\$25,000 to \$34,999	4	3	3	5	6	10
\$35,000 to \$44,999	6	5	4	6	7	8
\$45,000 to \$54,999	8	8	6	7	11	12
\$55,000 to \$64,999	9	9	7	8	10	9
\$65,000 to \$74,999	8	10	6	6	7	9
\$75,000 to \$84,999	9	10	8	9	7	9
\$85,000 to \$99,999	12	14	12	10	13	8
\$100,000 to \$124,999	15	16	16	13	13	13
\$125,000 to \$149,999	9	9	11	9	7	6
\$150,000 to \$174,999	6	6	8	8	4	3
\$175,000 to \$199,999	4	3	6	6	1	2
\$200,000 or more	9	4	12	8	8	4
<b>Median income (2016)</b>	<b>\$88,800</b>	<b>\$88,200</b>	<b>\$104,700</b>	<b>\$94,000</b>	<b>\$80,700</b>	<b>\$69,400</b>

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-3

### ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS

(Percentage Distribution)



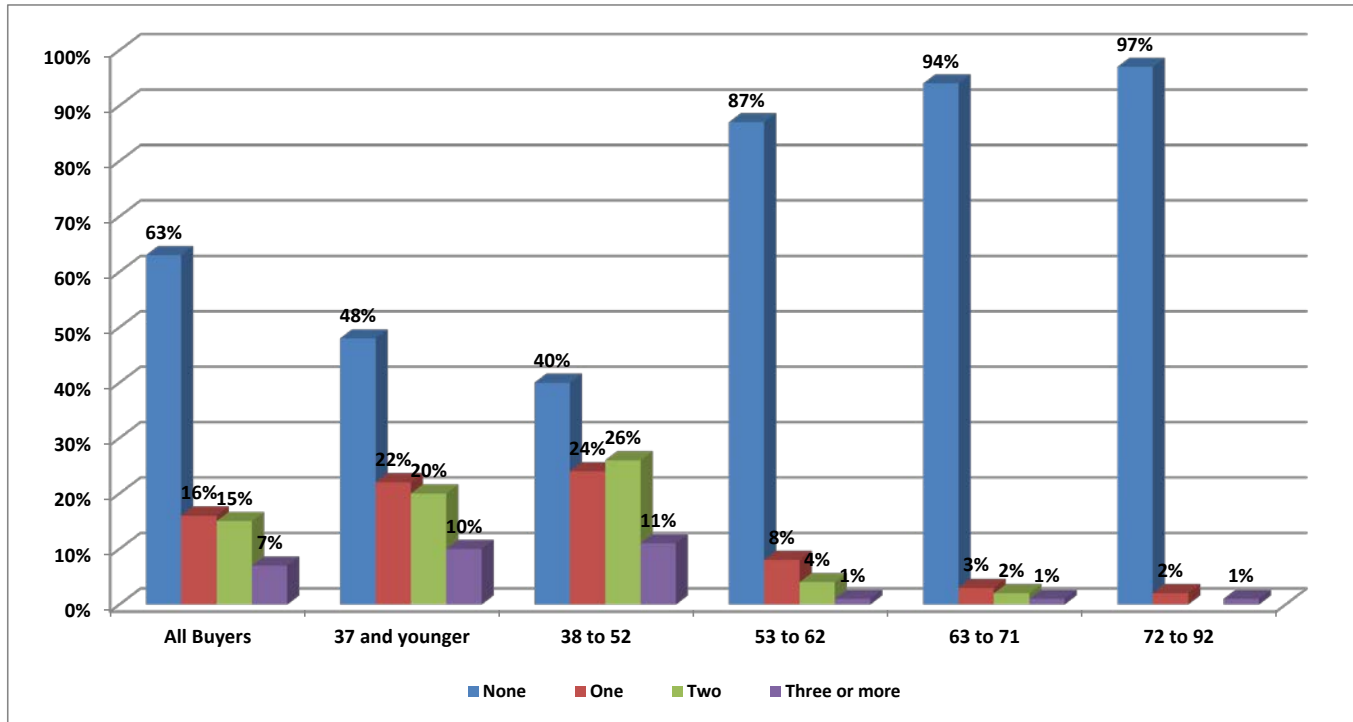


# CHARACTERISTICS OF HOME BUYERS

Exhibit 1-4

## NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution of Households)



CHARACTERISTICS OF HOME BUYERS

Exhibit 1-5  
**HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT CHILDREN, PARENTS, AND/OR GRANDPARENTS)**

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Multi-generational household	13%	8%	15%	20%	14%	17%
<b>Reasons for purchase:</b>						
Health/Caretaking of aging parents	22%	19%	30%	22%	16%	15%
Cost Savings	17	28	17	12	16	6
Children/relatives over 18 moving back into the house	16	7	14	23	22	14
Children/relatives over 18 never left home	13	6	21	16	8	6
To spend more time with aging parents	10	14	10	7	6	8
Wanted a larger home that multiple incomes could afford together	6	10	4	2	4	8
None of the above	21	23	14	18	22	38
Other	7	9	6	6	10	4

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-6

### HOME BUYER SEXUAL ORIENTATION

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Heterosexual or straight	89%	92%	89%	85%	89%	90%
Gay or lesbian	3	3	4	5	1	1
Bisexual	1	1	1	*	*	*
Prefer not to answer	7	3	7	10	9	8

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-7

### RACE/ETHNICITY OF HOME BUYERS

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
White/Caucasian	83%	83%	77%	85%	90%	95%
Hispanic/Latino	7	9	9	4	4	1
Black/African-American	5	5	6	7	4	2
Asian/Pacific Islander	5	6	7	4	2	*
Other	3	2	4	3	2	3

\* Less than 1 percent

Note: Respondents were permitted to select as many races and ethnicities as they felt applicable.

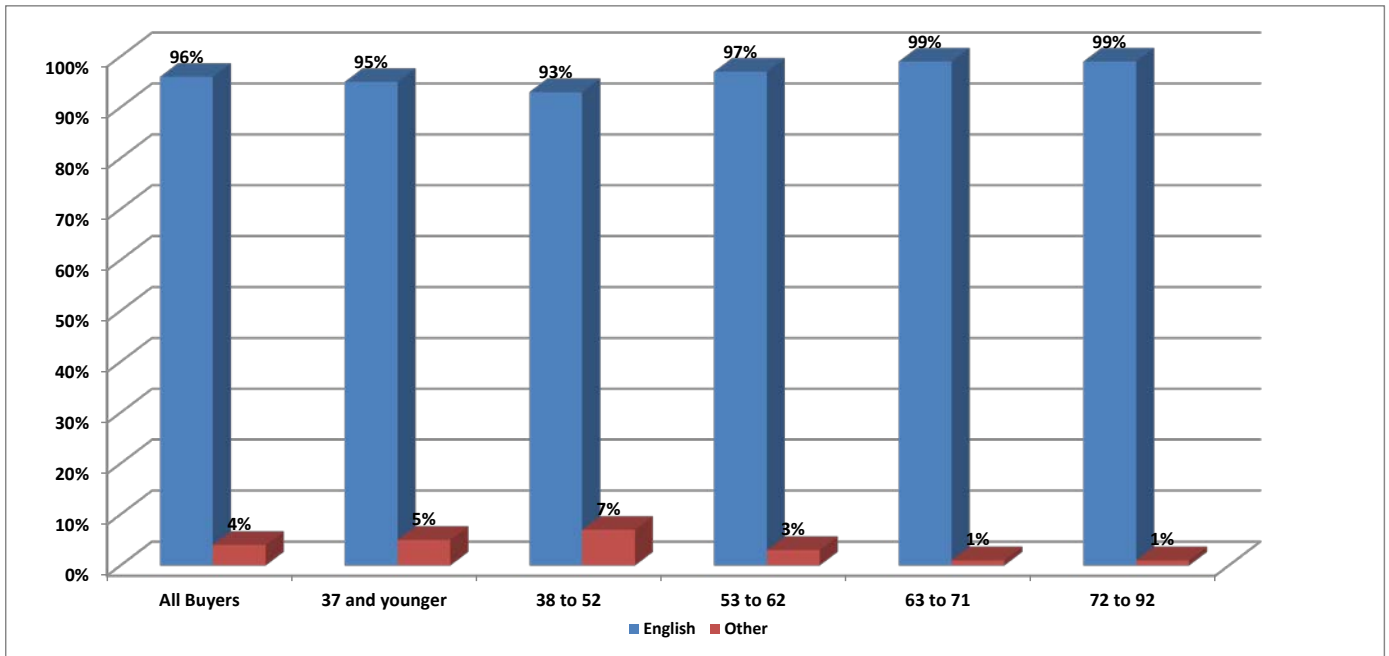
The percentage distribution may therefore sum to more than 100 percent.

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-8

### PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD

(Percentage Distribution)



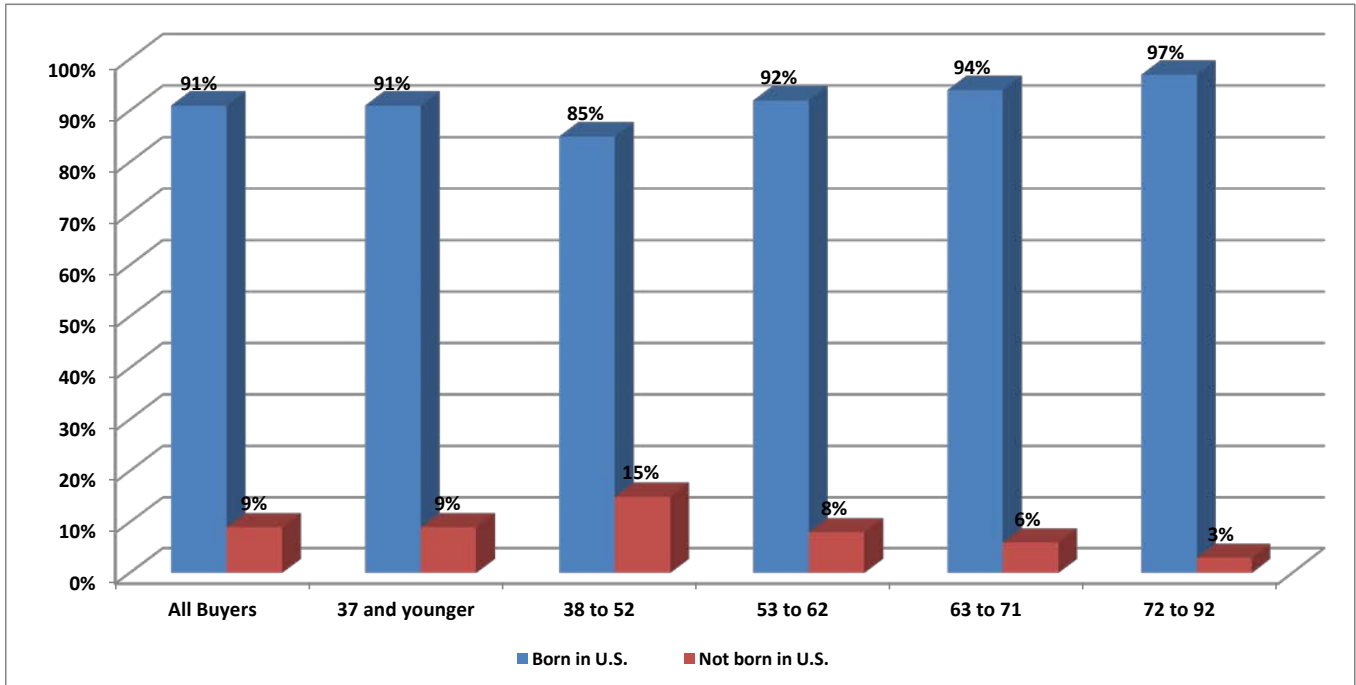


# CHARACTERISTICS OF HOME BUYERS

Exhibit 1-9

## NATIONAL ORIGIN OF HOME BUYERS

(Percentage Distribution)

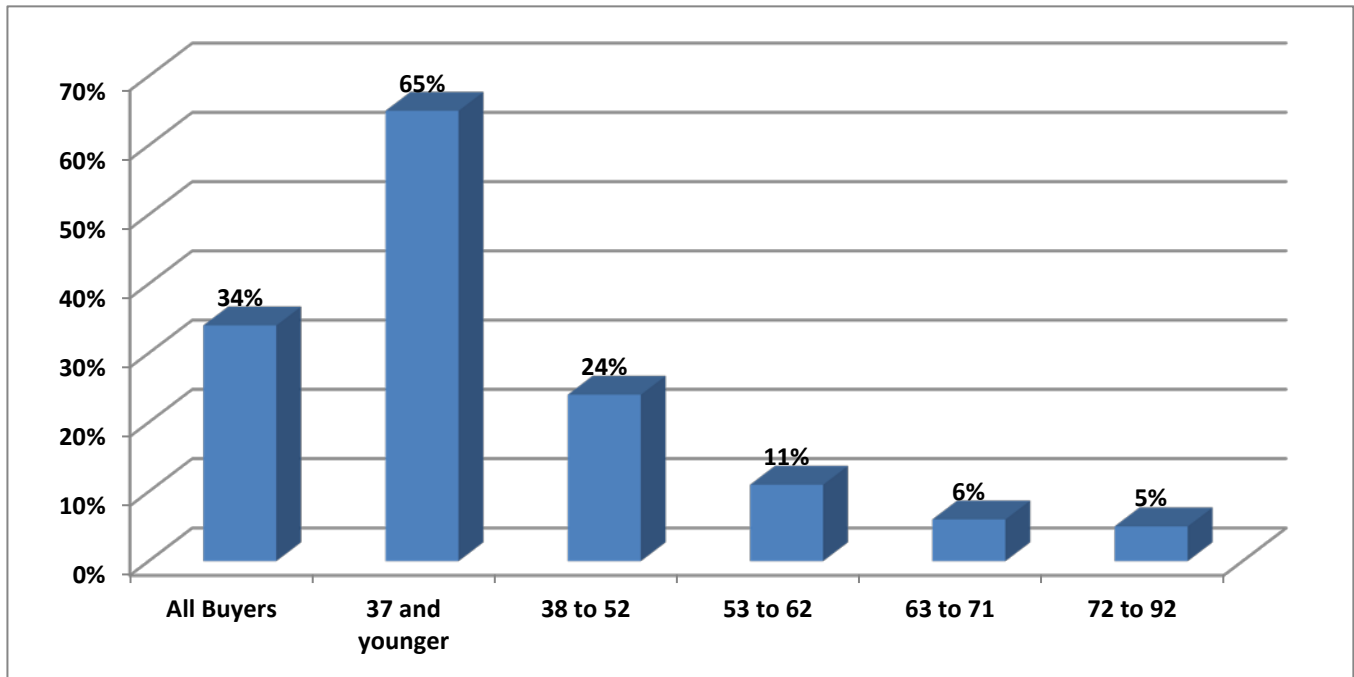


# CHARACTERISTICS OF HOME BUYERS

Exhibit 1-10

## FIRST-TIME HOME BUYERS IN AGE GROUP

(Percent of all Home Buyers)



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-11

### PRIOR LIVING ARRANGEMENT

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Owned previous home	47%	24%	49%	61%	77%	80%
Rented an apartment or house	40	56	40	33	17	12
Lived with parents/relatives/friends, paid rent	6	8	5	3	2	4
Lived with parents/relatives/friends, did not pay rent	6	10	4	2	3	3
Rented the home ultimately purchased	1	1	2	1	1	*

*Note: After selling their previous home, buyers may have rented a home or apartment before purchasing their next home. A first-time buyer could have acquired ownership of their previous home (as an inheritance or gift, for example) without having been the buyer of the home. Thus, a first-time buyer could have owned a home prior to their first home purchase.*

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-12

### PRIMARY REASON FOR PURCHASING A HOME

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Desire to own a home of my own	30%	48%	28%	17%	8%	10%
Desire for larger home	10	12	14	7	5	5
Job-related relocation or move	8	7	12	13	2	*
Desire to be closer to family/friends/relatives	8	2	2	9	25	25
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	8	8	8	8	6	8
Desire for a home in a better area	7	5	11	7	7	6
Desire for smaller home	5	*	3	10	11	19
Retirement	5	*	1	7	15	11
Desire to be closer to job/school/transit	4	4	5	5	2	*
Affordability of homes	3	3	2	2	3	3
Establish a household	2	4	1	*	1	1
Financial security	2	2	2	2	2	1
Desire for a newly built or custom-built home	2	1	2	2	3	2
Tax benefits	1	*	1	2	1	*
Purchased home for family member or relative	*	*	*	1	1	*
Other	6	2	5	8	8	8

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-13

### PRIMARY REASON FOR THE TIMING OF HOME PURCHASE

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
It was just the right time, was ready to buy a home	50%	55%	45%	49%	47%	42%
Did not have much choice, had to purchase when did	17	14	22	18	15	17
It was the best time for because of availability of homes for sale	10	8	11	7	12	13
It was the best time for because of mortgage financing options available	8	8	9	7	8	4
It was the best time for because of improved affordability of homes	6	8	6	6	6	5
Wish had waited	2	1	1	1	1	3
Other	8	5	7	11	12	15



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-14

### OTHER HOMES OWNED

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Recently purchased home only	83%	91%	82%	76%	76%	77%
One or more investment properties	8	6	10	11	9	6
Previous homes that buyer is trying to sell	3	1	3	4	6	7
Primary residence	3	2	2	4	3	5
One or more vacation homes	3	*	2	5	7	7
Other	2	1	3	3	3	2

\* Less than 1 percent

## NATIONAL ASSOCIATION OF REALTORS® 2018 Home Buyer and Seller Generational Trends

### Chapter 2: Characteristics of Homes Purchased

In 2017, 15 percent of all buyers purchased new homes. For buyers 37 years and younger, 11 percent bought new homes again this year. New home purchased increased with age, 15 percent for buyers 38 to 52 years and 21 percent for those 63 to 71 years.

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased compared to 86 percent of buyers 38 to 52 years and only 72 percent for buyers 72 to 92. The most popular location to purchase a home was in the suburbs or in a subdivision, 51 percent for all buyers, 55 percent for buyers 38 to 52 and 52 percent for buyers 37 and younger.

Quality of the neighborhood (58 percent), convenience to job (42 percent), and overall home affordability (39 percent) were the three most important factors to recent home buyers when choosing a neighborhood. Convenience to a job (three percent) and to school districts (two percent) were the least important to buyers over 72 years compared to convenience to friends and family (43 percent) and convenience to shopping (30 percent). Convenience to a job and affordability were the most important for buyers under 37 years (62 and 49 percent respectively). However, convenience to friends and family is also important to buyers 37 and younger at 43 percent. Convenience to a job (46 percent), quality of school districts (33 percent), and distance to schools (31 percent), were a few of the most important factors to buyers 38 to 52 years.

The expected tenure in homes has increased from last year to a median of 15 years from 12 in 2016. For buyers 37 years and younger, the expected length of time is only 10 years compared to 20 years for buyers aged 53 to 62.

#### NEW AND PREVIOUSLY OWNED HOMES PURCHASED Exhibits 2-1 through 2-2

In 2017, 15 percent of all buyers purchased new homes. The share of previously purchased homes was 85 percent. For buyers 37 years and younger, 11 percent bought new homes again this year. New home purchased increased with age, 15 percent for buyers 38 to 52 years and 21 percent for those 63 to 71 years.

Buyers chose to purchase new and previously owned homes for different reasons. Purchasers of new homes are looking to avoid renovations and problems with plumbing or electricity (36 percent) and the ability to choose and customize design features in



their home (36 percent). Buyers who chose a previously owned home were considering a better price (32 percent) and overall value (31 percent). For buyers 37 years and younger, 47 percent bought new homes to avoid renovations and problems compared to 19 percent of buyers 72 years and older. Among the largest share of buyers of new homes, those aged 63 to 71, 43 percent purchased new homes to choose and customize their design features. Thirty-three percent of buyers 38 to 62 years bought previously owned homes to receive a better overall value.

## **TYPE OF HOME PURCHASED AND LOCATION**

### **Exhibits 2-3 through 2-4**

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased compared to 86 percent of buyers 38 to 52 years and only 72 percent for buyers 72 to 92. The most popular location to purchase a home was in the suburbs or in a subdivision, 51 percent for all buyers, 55 percent for buyers 38 to 52 and 52 percent for buyers 37 and younger. Small towns were the second most common area and more than one-quarter of buyers over the age of 63 purchased in a small town.

## **SENIOR HOUSING AND ACTIVE ADULT COMMUNITIES**

### **Exhibit 2-5**

Senior-related housing remained at 13 percent of buyers this year for those over the age of 50; that number was eight percent for buyers 53 to 62 years and 28 percent for buyers over 72 years. For all buyers over 50 who recently purchased senior-related housing, 68 percent purchased a detached single-family home and 48 percent bought in a suburb or subdivision. Eighty-two percent of buyers in senior-related housing 63 to 71 years bought detached single-family homes compared to 72 percent of buyers over 72 years. Fifty percent of buyers 53 to 62 years bought in suburbs compared to 45 percent of buyers 72 years and older.

## **DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE**

### **Exhibit 2-6**

The distance between the home that buyers recently purchased and their previous residence was a median of 15 miles. For buyers 63 to 71 years, the median distance was 30 miles and for buyers 37 and younger the median was 10 miles.

## **FACTORS INFLUENCING NEIGHBORHOOD CHOICE**

### **Exhibits 2-7**

Some of the factors that influence recent home buyers' neighborhood choice have remained consistent from last year. Quality of the neighborhood (58 percent), convenience to job (42 percent), and overall home affordability (39 percent) were the



three most important factors to recent home buyers when choosing a neighborhood. Convenience to a job (three percent) and to school districts (two percent) were the least important to buyers over 72 years compared to convenience to friends and family (43 percent) and convenience to shopping (30 percent). Convenience to a job and affordability were the most important for buyers under 37 years (62 and 49 percent respectively). However, convenience to friends and family is also important to buyers 37 and younger at 43 percent. Convenience to a job (46 percent), quality of school districts (33 percent), and distance to schools (31 percent), were a few of the most important factors to buyers 38 to 52 years.

## **PRICE OF HOME PURCHASED**

### **Exhibits 2-8 through 2-9**

Nationwide, home prices have continued to increase and buying patterns of recent home buyers reflect the increase. Home prices increased slightly this year to a median of \$235,000 for all buyers. Buyers 38 to 52 years purchased the highest priced homes at a median of \$266,400; buyers 37 years and younger purchased the most affordable homes at a median of \$220,000 (up from \$205,000 last year).

Recent buyers typically purchased their home for a median of 98 percent of the asking price for their home, which was closely consistent between all generations. Fourteen percent of all buyers paid more than the asking price for their home, 16 percent for buyers 37 years and younger and only 10 percent for buyers over 72 years.

## **SIZE OF HOME PURCHASED AND YEAR HOME WAS BUILT**

### **Exhibits 2-10 through 2-12**

Recent homes purchased had a median size of 1,870 square feet, consistent with last year. The size of homes for buyers 38 to 52 years was typically larger homes at 2,020 square feet, compared to buyers 37 years and younger and 72 years and older that purchased homes at a median of 1,800 again this year. Homes for all buyers across generations typically had three bedrooms and two bathrooms.

This year, the homes purchased were slightly older than in previous years. The typical home purchased was built in 1991. For buyers 37 years and younger, the median home was built in 1983; for buyers 63 and older, the median was 1998.

## **ENVIRONMENT FEATURES AND COMMUTING COSTS**

### **Exhibits 2-13**

To the majority of recent home buyers, heating and cooling costs were the most important environmentally friendly factors at 34 percent. Twenty-nine percent of buyers said that windows, doors, and siding installation was also important to them when they recently purchased their home and 28 percent said commuting costs. Heating and



cooling costs were most important to buyers 53 to 62 years at 39 percent. Commuting costs were most important to buyers 37 and younger at 35 percent.

## **CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED**

### **Exhibits 2-14**

When deciding on a home to purchase, recent buyers made compromises on some home characteristics. The most common compromise made was the price of the home at 21 percent, followed by the condition of the home at 18 percent. Thirty-three percent of buyers said that they made no compromises when purchasing their home.

For buyers 37 years and younger, 24 percent made compromises on the price of the home. As buyers increase in age, the percentage drops for those who compromised on the condition of the home, namely 20 percent for those 37 and younger and 15 percent for buyers 72 years and older. The percentage also increases for those reporting that they made no compromises. More than half of buyers (58 percent) 63 to 71 years did not compromise, compared to 21 percent of buyers 37 years and younger.

## **EXPECTED LENGTH OF TENURE IN HOME PURCHASED**

### **Exhibits 2-15 and 2-16**

The expected tenure in homes has increased from last year to a median of 15 years from 12 in 2016. For buyers 37 years and younger, the expected length of time is only 10 years compared to 20 years for buyers aged 53 to 62. While buyers can estimate the timeframe that they will live in their homes, there are factors, which could cause buyers to move.

Twenty-seven percent of buyers said that they would potentially move because of a life change, such as an addition to the family, marriage, children moving out, or retirement; that number jumps up to 32 percent for buyers 53 to 62 years. Buyers 37 years and younger were more likely than any other age group to potentially move because of a job or career change and to want a bigger home (18 percent), while buyers over 72 years are most likely to say they are never moving.





## CHARACTERISTICS OF HOMES PURCHASED

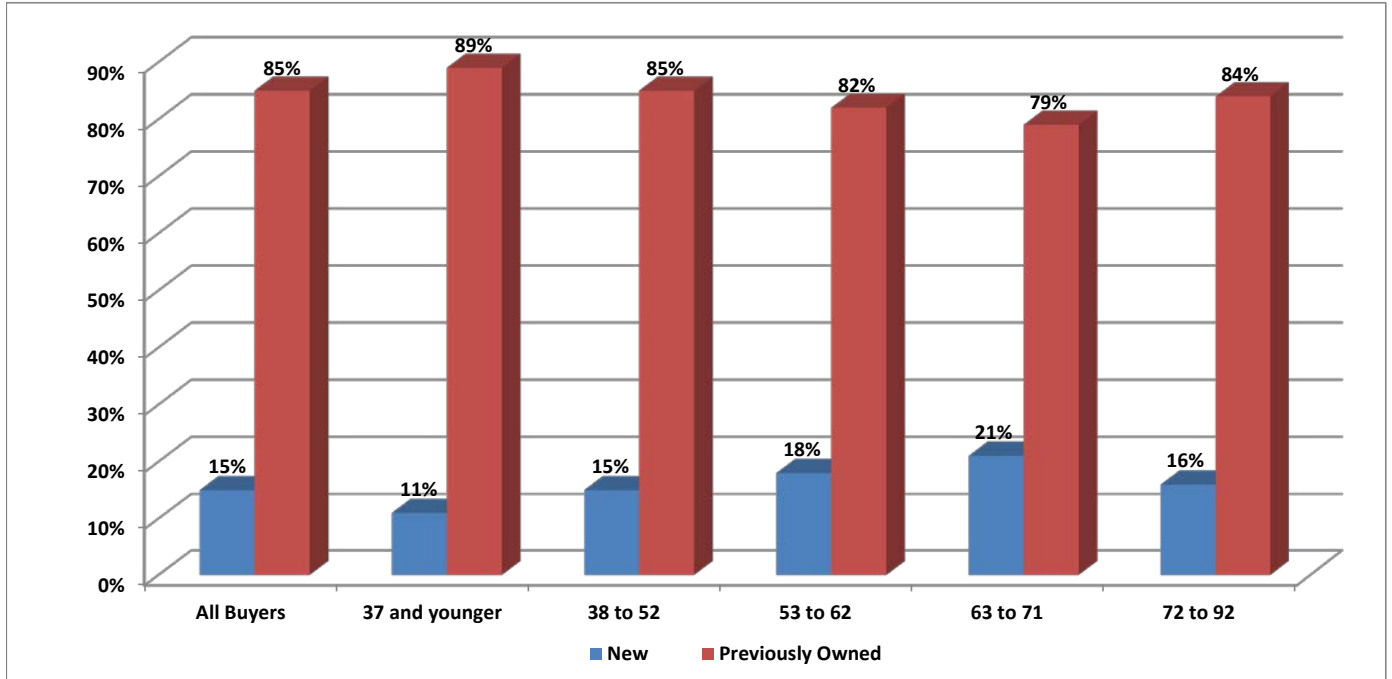
- Exhibit 2-1 NEW AND PREVIOUSLY OWNED HOMES PURCHASED
- Exhibit 2-2 WHY NEW AND PREVIOUSLY OWNED HOMES PURCHASED
- Exhibit 2-3 TYPE OF HOME PURCHASED
- Exhibit 2-4 LOCATION OF HOME PURCHASED
- Exhibit 2-5 SENIOR-RELATED HOUSING BY TYPE OF HOME PURCHASED AND LOCATION
- Exhibit 2-6 DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE
- Exhibit 2-7 FACTORS INFLUENCING NEIGHBORHOOD CHOICE
- Exhibit 2-8 PRICE OF HOME PURCHASED
- Exhibit 2-9 PURCHASE PRICE COMPARED WITH ASKING PRICE
- Exhibit 2-10 SIZE OF HOME PURCHASED
- Exhibit 2-11 NUMBER OF BEDROOMS AND BATHROOMS
- Exhibit 2-12 YEAR HOME BUILT
- Exhibit 2-13 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT"
- Exhibit 2-14 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED
- Exhibit 2-15 EXPECTED LENGTH OF TENURE IN HOME PURCHASED
- Exhibit 2-16 FACTORS THAT COULD CAUSE BUYER TO MOVE

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-1

### NEW AND PREVIOUSLY OWNED HOMES PURCHASED

(Percentage Distribution)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-2

### WHY NEW AND PREVIOUSLY OWNED HOMES PURCHASED

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
<b>New Home:</b>						
Avoid renovations or problems with plumbing or electricity	36%	47%	42%	30%	25%	19%
Ability to choose and customize design features	36	40	40	26	43	31
Amenities of new home construction communities	18	18	18	16	22	24
Green/energy efficiency	12	14	16	8	11	7
Lack of inventory of previously owned home	10	16	9	9	5	8
Smart home features	4	3	5	4	5	5
Other	15	15	15	17	13	13
<b>Previously Owned Home:</b>						
Better price	32%	42%	27%	25%	27%	24%
Better overall value	31	31	33	33	32	29
More charm and character	21	22	24	19	18	16
Lack of inventory of new homes	10	12	12	9	7	6
Other	18	15	18	19	20	25

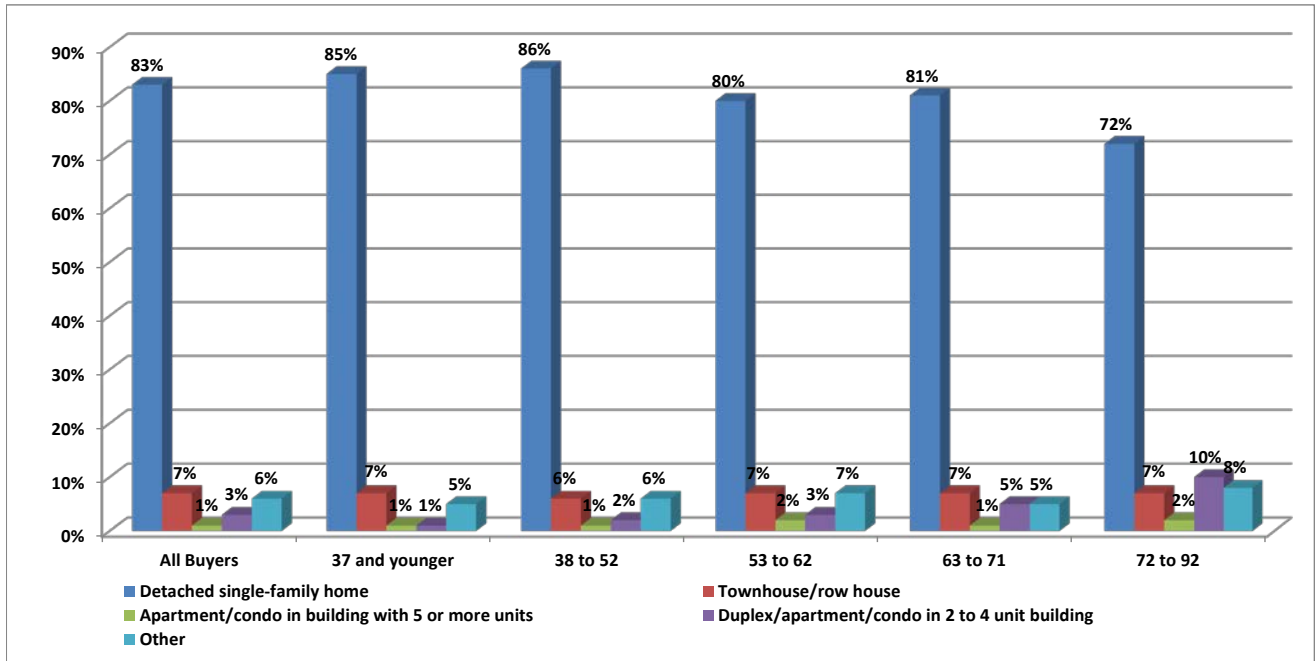
\* Less than 1 percent

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-3

**TYPE OF HOME PURCHASED**

(Percentage Distribution)

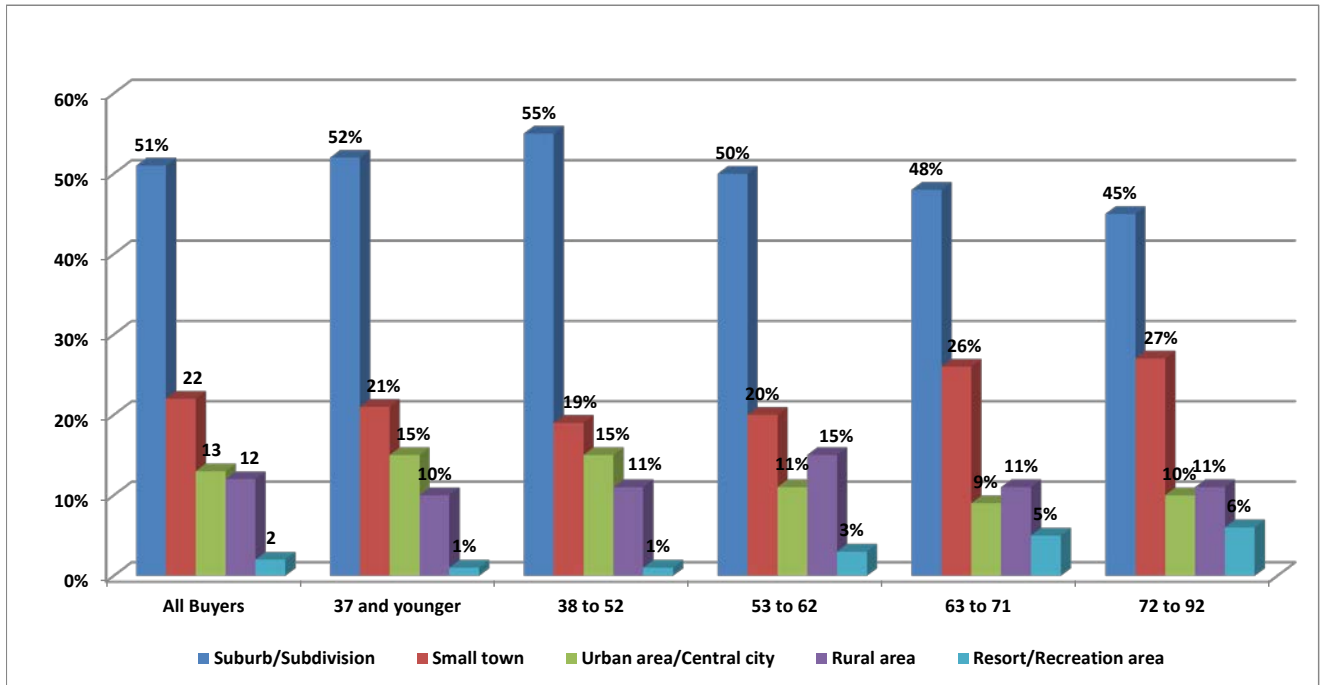


## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-4

### LOCATION OF HOME PURCHASED

(Percentage Distribution)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-5

### SENIOR-RELATED HOUSING BY TYPE OF HOME PURCHASED AND LOCATION

(Percentage Distribution)

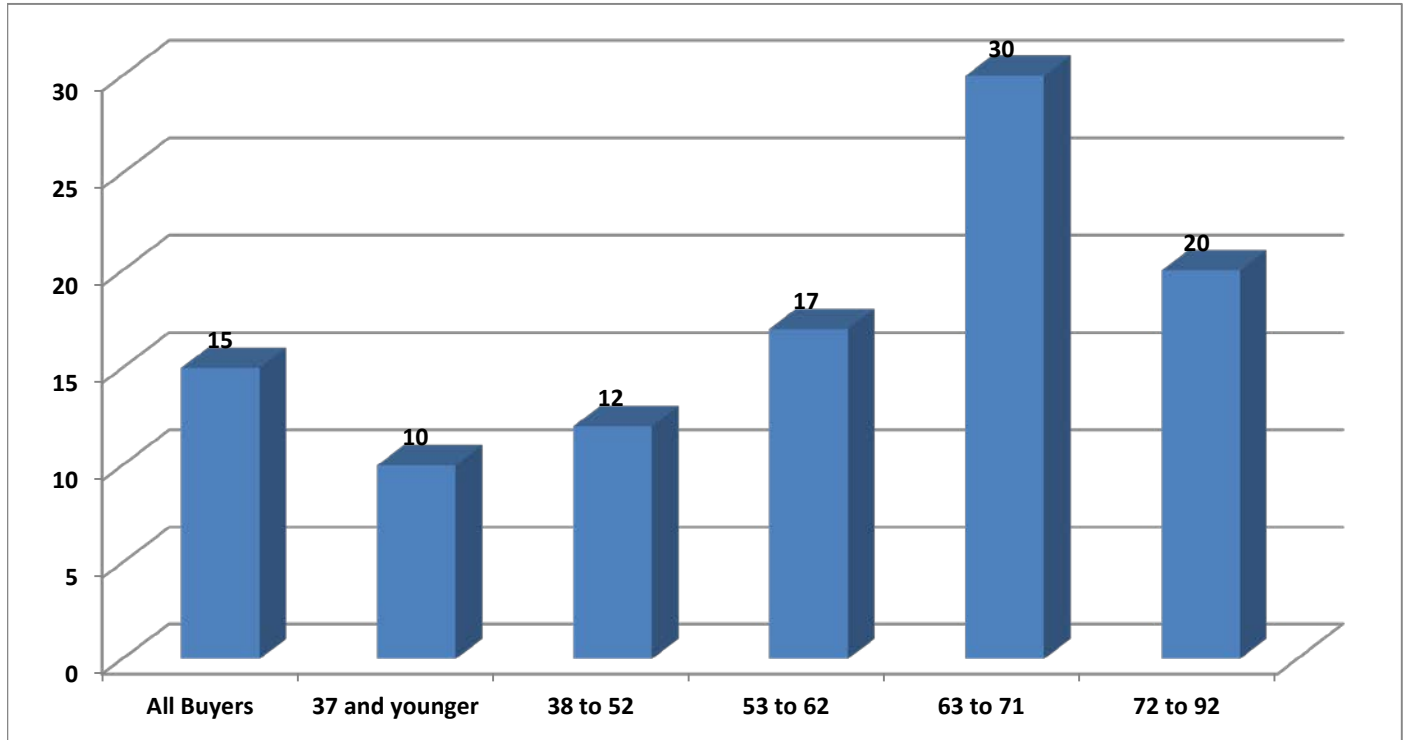
	All buyers over 50	AGE OF HOME BUYER		
		53 to 62	63 to 71	72 to 92
Share who purchased a home in senior-related housing	13%	8%	17%	28%
<b>Buyers over 50 who purchased senior-related housing:</b>				
<b>Type of home purchased</b>				
Detached single-family home	68%	80%	82%	72%
Townhouse/row house	6	7	7	7
Duplex/apartment/condo in 2 to 4 unit building	3	2	1	2
Apartment/condo in building with 5 or more units	13	3	5	10
Other	10	7	5	8
<b>Location</b>				
Suburb/ Subdivision	48%	50%	48%	45%
Small town	20	20	26	27
Resort/ Recreation area	6	11	9	10
Urban/ Central city	8	15	11	11
Rural area	17	3	5	6

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-6

### **DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE**

*(Median Miles)*





## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-7

### FACTORS INFLUENCING NEIGHBORHOOD CHOICE

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Quality of the neighborhood	58%	65%	59%	56%	51%	52%
Convenient to job	42	62	46	36	11	3
Overall affordability of homes	39	49	34	34	33	24
Convenient to friends/family	36	43	27	32	43	43
Quality of the school district	25	40	33	9	4	2
Design of neighborhood	25	24	24	26	27	25
Convenient to shopping	24	21	22	27	32	30
Convenient to schools	21	30	31	6	2	2
Convenient to entertainment/leisure activities	19	23	18	19	17	11
Convenient to parks/recreational facilities	17	21	17	16	16	8
Availability of larger lots or acreage	17	18	17	19	14	7
Home in a planned community	8	4	7	9	13	17
Convenient to airport	6	5	6	9	7	5
Convenient to public transportation	4	5	4	4	4	3
Convenient to health facilities	3	3	2	4	6	3
Other	6	4	5	8	6	7

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-8

### PRICE OF HOME PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than \$75,000	4%	3%	4%	5%	5%	4%
\$75,000 to \$99,999	4	5	3	4	3	5
\$100,000 to \$124,999	5	6	4	6	5	6
\$125,000 to \$149,999	8	9	6	9	8	5
\$150,000 to \$174,999	9	11	7	9	8	11
\$175,000 to \$199,999	8	9	7	7	9	8
\$200,000 to \$249,999	15	16	14	12	16	17
\$250,000 to \$299,999	12	12	14	11	10	17
\$300,000 to \$349,999	9	8	9	9	10	9
\$350,000 to \$399,999	7	7	7	8	7	7
\$400,000 to \$499,999	8	7	9	9	9	4
\$500,000 or more	11	8	15	12	11	6
Median price	\$235,000	\$220,000	\$266,400	\$249,200	\$239,200	\$228,600

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-9

### **PURCHASE PRICE COMPARED WITH ASKING PRICE**

*(Percentage Distribution)*

Percent of asking price:	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than 90%	8%	7%	9%	9%	10%	10%
90% to 94%	15	13	14	17	15	16
95% to 99%	36	36	36	36	35	37
100%	28	28	27	27	29	27
101% to 110%	12	15	13	9	10	8
More than 110%	2	1	1	2	2	2
<b>Median (purchase price as a percent of asking price)</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-10

### SIZE OF HOME PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
1,000 sq ft or less	1%	1%	1%	1%	1%	2%
1,001 to 1,500 sq ft	14	18	11	12	13	11
1,501 to 2,000 sq ft	29	30	24	30	29	33
2,001 to 2,500 sq ft	25	24	23	23	27	33
2,501 to 3,000 sq ft	15	14	17	12	17	11
3,001 to 3,500 sq ft	8	7	9	10	7	6
3,501 sq ft or more	9	6	14	12	6	4
Median (sq ft)	1,870	1,800	2,020	1,870	1,900	1,800

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-11

### NUMBER OF BEDROOMS AND BATHROOMS

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
One bedroom	1%	1%	*	*	1%	2%
Two bedrooms	14	11	10	18	20	28
Three bedrooms or more	85	89	90	82	79	70
Median number of bedrooms	3	3	3	3	3	3
One full bathroom	17	22	14	14	12	10
Two full bathrooms	60	60	56	59	67	73
Three full bathrooms or more	23	18	30	27	21	17
Median number of full bathrooms	2	2	2	2	2	2

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-12  
**YEAR HOME BUILT**  
*(Median)*

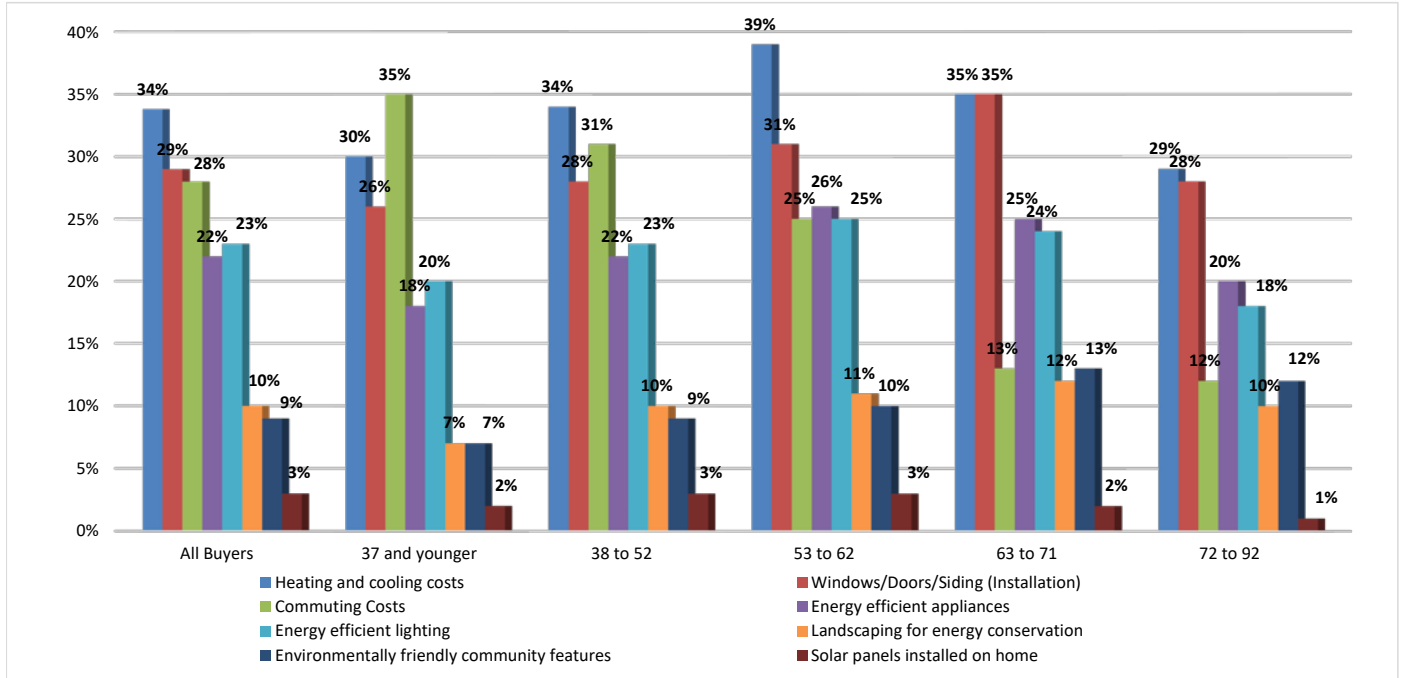
	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
2016	14%	11%	14%	16%	19%	15%
2015 through 2012	4	3	3	4	5	6
2011 through 2008	5	4	5	5	5	6
2007 through 2003	12	10	13	11	13	12
2002 through 1988	20	16	20	25	21	28
1987 through 1962	25	28	22	22	23	23
1961 through 1914	19	23	19	16	12	9
1913 and older	3	4	3	2	3	1
<b>Median</b>	1991	1983	1993	1996	1998	1998

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-13

### ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT"

(Percent of Respondents)





## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-14

### CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Price of home	21%	24%	21%	19%	18%	15%
Condition of home	18	20	18	18	16	15
Size of home	18	20	18	15	14	13
Lot size	15	19	14	12	11	8
Style of home	15	18	15	12	11	7
Distance from job	14	21	15	11	3	*
Distance from friends or family	7	8	6	6	6	4
Quality of the neighborhood	6	6	6	5	5	4
Quality of the schools	4	7	3	2	1	1
Distance from school	2	3	3	1	*	*
None - Made no compromises	33	21	30	41	47	58
Other compromises not listed	9	9	8	8	10	8

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-15

### EXPECTED LENGTH OF TENURE IN HOME PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
1 year or less	1%	1%	1%	1%	1%	2%
2 to 3 years	3	4	3	3	2	*
4 to 5 years	9	14	9	6	4	3
6 to 7 years	3	5	2	3	*	1
8 to 10 years	14	16	16	12	13	12
11 to 15 years	6	5	7	7	6	7
16 or more years	27	26	30	33	26	13
Don't Know	36	29	32	35	46	62
<b>Median</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>15</b>

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-16

### FACTORS THAT COULD CAUSE BUYER TO MOVE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Move with life changes (addition to family, marriage, children move out, retirement, etc.)	27%	28%	30%	32%	21%	15%
Never moving-forever home	18	11	17	23	27	35
Move with job or career change	13	18	17	8	1	*
Want a larger home	9	18	7	2	2	1
Downsize/smaller house	8	4	12	11	10	4
Household member's health	8	1	2	9	26	32
Want nicer home/added features	6	9	7	4	3	2
May desire better area/neighborhood	5	7	5	5	4	1
Will flip home	1	1	1	1	1	*
Other	4	3	3	5	6	8

\* Less than 1 percent

# NATIONAL ASSOCIATION OF REALTORS® 2018 Home Buyers and Sellers Generational Trends

## Chapter 3: The Home Search Process

Searching online continues to be the first step that most buyers took. Real estate agents remain a vital part of the home search process, and are the second most frequently used information source for home buyers. The length of the home search was the longest for buyers 53 to 71 years old at 10 weeks. For all other generations, buyers searched for eight weeks. Buyers 38 to 71 viewed a median of 10 homes this year, with buyers 37 and younger viewing nine homes and buyers 72 and older viewing six homes.

Similar to the info sources used, younger generations typically found the home they purchased through the internet. The share of buyers that found their home on the internet decreases with age; conversely, the share of buyers that found their home through an agent increases with age. In response to looking at homes on the internet, buyers typically walked through the homes that they viewed online. Buyers also valued website features such as photos and detailed property information. Overall, buyers of all generations continue to be very satisfied with their home buying process.

### THE FIRST STEP IN THE HOME BUYING PROCESS AND INFORMATION SOURCES Exhibits 3-1 through 3-3

Among nearly all generations of home buyers, the first step taken was to look online for properties, except for buyers 72 years and older who contacted a real estate agent first. Forty percent of buyers 37 years and younger, 46 percent aged 38 to 52, and 48 percent aged 53 to 71 looked online for properties for sale first. As age increases, the share that contacted an agent first increased, from 15 percent for buyers 37 years and younger to 32 percent for buyers over 72 years. Ninety-nine percent of buyers 37 year and younger used online websites. Among buyers 72 and older, the most used information source was a real estate agent.

The length of the home search was the longest for buyers 53 to 71 years old at 10 weeks. For all other generations, buyers searched for eight weeks. Buyers 38 to 71 viewed a median of 10 homes this year, with buyers 37 and younger viewing nine homes and buyers 72 and older viewing six homes. Buyers 53 to 62 years waited three weeks before contacting an agent, and all other generations waited only two weeks in their home search process.



## FINDING THE PURCHASED HOME

### Exhibit 3-4 and 3-6

Similar to the information sources used, younger generations typically found the home they purchased through the internet. The share of buyers that found their home on the internet decreases with age; conversely, the share of buyers that found their home through an agent increases with age. Over half of buyers 37 years and younger (56 percent) and buyers aged 38 to 52 years (51 percent) found their home through the internet. Forty-one percent of buyers 72 to 92 years found their home through a real estate agent.

When looking during the home search process, buyers 37 years and younger were the most likely generation to consider purchasing a home that was in foreclosure. A trend showed that as the buyers got older, they were less likely to consider purchasing a home in foreclosure. Affordability is likely playing a role in this decision.

Across all generations, the most difficult step in the home buying process was finding the right property. Younger buyers are more likely to cite there are difficult steps in the home buying process. Ninety-one percent of buyers 37 and younger cite there was at least one difficult step compared to 67 percent of buyers 72 to 92 years old.

## WEBSITE AND MOBILE SEARCH

### Exhibit 3-7 through 3-10

Over 74 percent of buyers from all generations frequently used the internet to search for their home. Ninety-two percent of buyers 37 years and younger frequently used the internet during their home search process. As a result of searching for homes on the internet, buyers most often walked through the home that they viewed online. Buyers 62 years and younger saw the exterior of homes because of searching online for properties. The most important website feature was photos for nine in 10 buyers under the age of 62. Detailed information about properties for sale were equally important website features for all generations.

Using mobile applications during the home search was common among younger generations of buyers. Among those who used mobile applications, 72 percent of buyers 37 years and younger found their homes through a mobile application. Sixty-nine percent of buyers 38 to 52 years, 62 percent for those 53 to 62, and 54 percent of those 63 to 71 years, found their homes by using a mobile application, if they used a mobile device to search.

Recent buyers also used mobile applications to find the agents they used during the home buying process. Buyers 63 to 71 years, more than any other generation, found their agent through a mobile application.



## SATISFACTION IN BUYING PROCESS

### Exhibit 3-11

Buyers of all generations were overall very satisfied with their home buying process. Buyers 63 to 71 years were the most satisfied of any generation with the buying process, 67 percent saying that they were very satisfied. Sixty-three percent of buyers 38 to 52 years, 66 percent of buyers over 72 years, and 59 percent of buyers 37 years and younger, were very satisfied with the buying process.



## THE HOME SEARCH PROCESS

- Exhibit 3-1 FIRST STEP TAKEN DURING THE HOME BUYING PROCESS
- Exhibit 3-2 INFORMATION SOURCES USED IN HOME SEARCH
- Exhibit 3-3 LENGTH OF SEARCH
- Exhibit 3-4 WHERE BUYER FOUND THE HOME THEY PURCHASED
- Exhibit 3-5 BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE
- Exhibit 3-6 MOST DIFFICULT STEPS OF HOME BUYING PROCESS
- Exhibit 3-7 USE OF INTERNET TO SEARCH FOR HOMES
- Exhibit 3-8 ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH
- Exhibit 3-09 VALUE OF WEBSITE FEATURES
- Exhibit 3-10 MOBILE SEARCH
- Exhibit 3-11 SATISFACTION IN BUYING PROCESS



THE HOME SEARCH PROCESS

Exhibit 3-1

**FIRST STEP TAKEN DURING THE HOME BUYING PROCESS**

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Looked online for properties for sale	42%	40%	46%	48%	48%	26%
Contacted a real estate agent	17	15	16	17	20	32
Looked online for information about the home buying process	12	15	10	9	6	6
Contacted a bank or mortgage lender	8	9	8	6	5	3
Drove-by homes/neighborhoods	6	4	6	6	7	11
Talked with a friend or relative about home buying process	6	10	3	2	3	6
Visited open houses	3	3	4	3	3	6
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	1	1	2	1	1	*
Contacted builder/visited builder models	1	1	2	2	2	4
Attended a home buying seminar	1	1	*	*	*	*
Contacted a home seller directly	1	1	1	1	2	3
Looked in newspapers, magazines, or home buying guides	1	1	*	1	1	2
Other	1	1	1	2	1	1

\* Less than 1 percent

THE HOME SEARCH PROCESS

Exhibit 3-2

**INFORMATION SOURCES USED IN HOME SEARCH**

*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Online website	95%	99%	95%	93%	90%	70%
Real estate agent	89	90	86	88	89	88
Mobile or tablet search device	74	82	77	63	56	32
Open house	52	52	56	52	46	50
Yard sign	48	45	48	50	49	48
Online video site	39	30	37	46	48	45
Home builder	19	15	22	20	24	18
Print newspaper advertisement	15	11	13	19	22	28
Home book or magazine	12	8	12	16	13	15
Billboard	5	5	5	5	7	2
Relocation company	3	3	3	4	1	2
Television	2	2	3	2	2	3

## THE HOME SEARCH PROCESS

Exhibit 3-3

### LENGTH OF SEARCH

(Median)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Number of Weeks Searched	10	8	8	10	10	8
Number of Weeks Searched Before Contacting an Agent	2	2	2	3	2	2
Number of homes viewed	10	9	10	10	10	6

## THE HOME SEARCH PROCESS

Exhibit 3-4

### WHERE BUYER FOUND THE HOME THEY PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Internet	49%	56%	51%	45%	37%	24%
Real estate agent	31	28	27	32	37	41
Yard sign/open house sign	7	5	8	8	8	15
Friend, relative or neighbor	6	6	5	6	8	9
Home builder or their agent	6	4	6	6	8	8
Directly from sellers/Knew the sellers	2	2	3	1	2	1
Print newspaper advertisement	1	*	*	1	2	2
Home book or magazine	*	*	*	*	*	*
Other	*	*	*	*	*	*

\* Less than 1 percent

THE HOME SEARCH PROCESS

Exhibit 3-5

**BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE**

*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
<b>Did not consider purchasing a home in foreclosure</b>	65%	57%	67%	69%	79%	87%
<b>Considered purchasing a home in foreclosure, but did not:</b>						
<b>Could not find the right home</b>	20	24	17	17	12	8
<b>The process was too difficult or complex</b>	9	11	7	7	4	3
<b>The home was in poor condition</b>	8	11	7	8	5	2
<b>The home price was too high</b>	3	4	3	3	2	1
<b>The neighborhood was undesirable</b>	3	4	3	3	2	1
<b>Financing options were not attractive</b>	3	5	3	2	1	*

THE HOME SEARCH PROCESS

Exhibit 3-6

**MOST DIFFICULT STEPS OF HOME BUYING PROCESS**

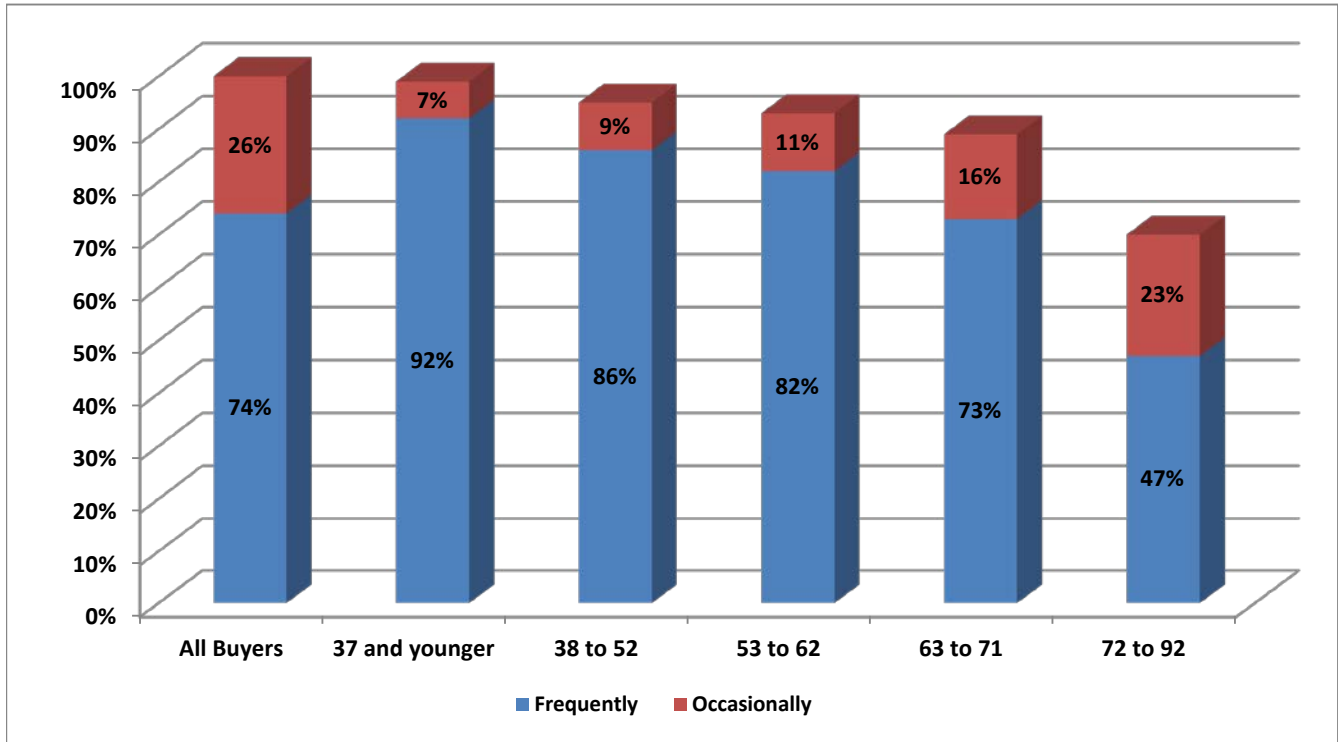
*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Finding the right property	54%	57%	53%	53%	52%	44%
Paperwork	22	26	20	19	18	19
Understanding the process and steps	16	27	13	8	9	8
Saving for the down payment	13	24	13	5	2	1
Getting a mortgage	9	10	10	9	6	5
Appraisal of the property	5	6	6	4	4	4
No difficult steps	16	9	15	22	23	33
Other	6	5	6	7	7	5

# THE HOME SEARCH PROCESS

Exhibit 3-7

## USE OF INTERNET TO SEARCH FOR HOMES



THE HOME SEARCH PROCESS

Exhibit 3-8

**ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH**

*(Percent of Respondents Among Buyers Who Used the Internet)*

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Walked through home viewed online	63%	64%	67%	66%	63%	55%
Saw exterior of homes/neighborhood, but did not walk through home	43	48	42	42	34	32
Found the agent used to search for or buy home	32	31	30	36	36	41
Requested more information	29	35	28	24	22	23
Pre-qualified for a mortgage online	19	19	18	17	18	13
Looked for more information on how to get a mortgage and general home buyers tips	16	23	13	10	5	3
Applied for a mortgage online	14	15	13	11	11	6
Found a mortgage lender online	11	13	9	8	7	5
Contacted builder/developer	8	6	9	10	10	5



## THE HOME SEARCH PROCESS

Exhibit 3-09

### VALUE OF WEBSITE FEATURES

*(Percentage Ranking Feature "Very Useful" Among Buyers Who Used the Internet)*

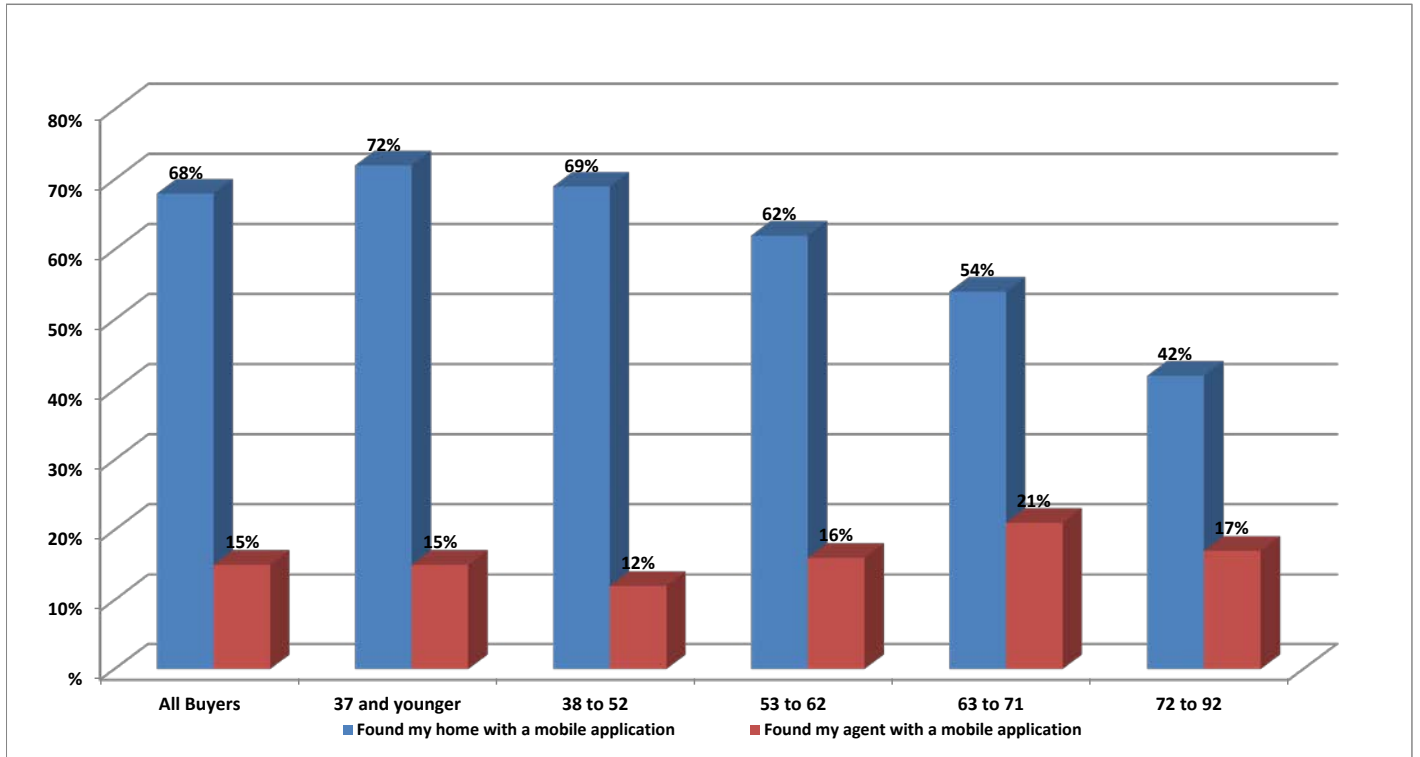
	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Photos	89%	91%	91%	88%	83%	72%
Detailed information about properties for sale	84	85	86	84	83	74
Floor Plans	51	50	52	49	48	48
Virtual tours	48	43	49	52	53	49
Real estate agent contact information	42	38	39	45	50	52
Detailed information about recently sold properties	41	42	46	40	33	27
Neighborhood information	41	44	44	38	33	29
Interactive maps	38	39	44	35	31	21
Pending sales/contract status	38	42	44	34	25	19
Videos	27	26	28	30	27	26
Information about upcoming open houses	26	28	29	27	18	15
Real estate news or articles	8	8	9	9	7	10

# THE HOME SEARCH PROCESS

Exhibit 3-10

## MOBILE SEARCH

(Percent of Respondents Among those Who Used Mobile Search)

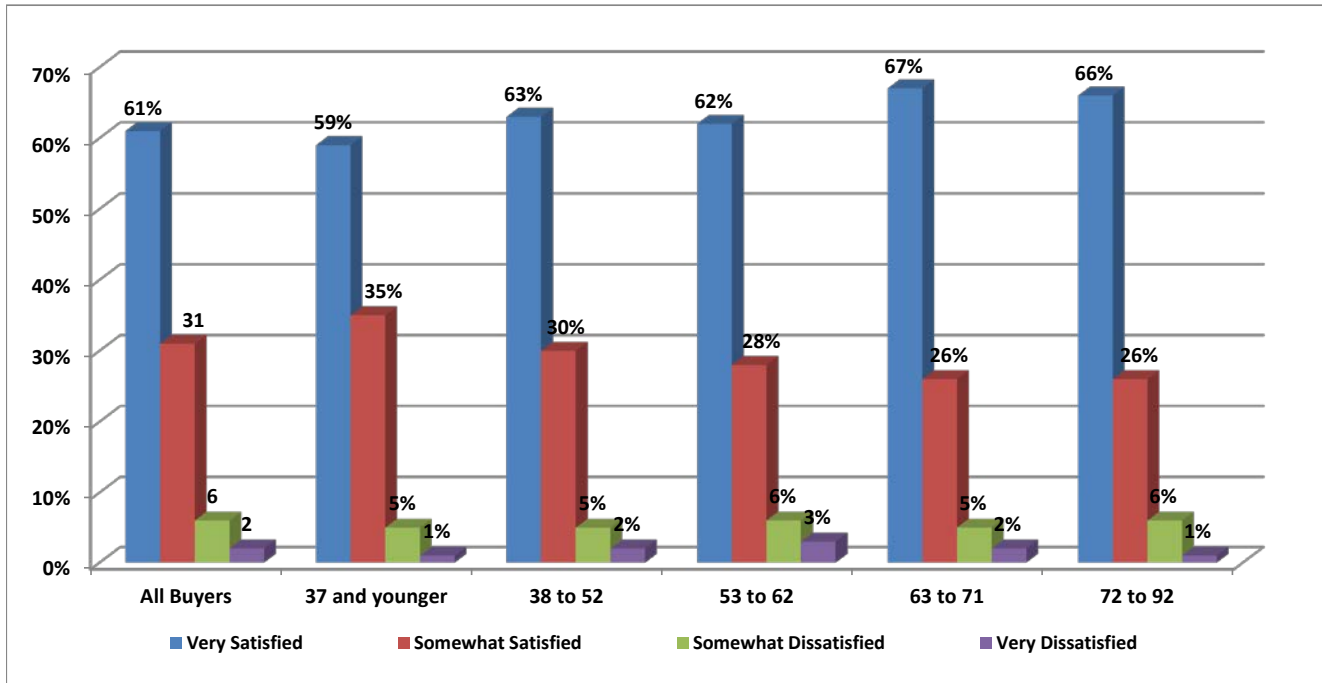


# THE HOME SEARCH PROCESS

Exhibit 3-11

## SATISFACTION IN BUYING PROCESS

(Percentage Distribution)



## NATIONAL ASSOCIATION OF REALTORS® 2018 Home Buyers and Sellers Generational Trends

### Chapter 4: Home Buying and Real Estate Professionals

Purchasing a home through a real estate agent continues to be the most used purchase method for recent buyers. When choosing an agent to work with, buyers wanted help finding the right home, negotiating sales terms, and negotiating prices. Buyers 37 years and younger, more than any other generation, found that their agent helped them understand the home buying process.

Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among buyers 37 years and younger (48 percent) and 38 to 52 (39 percent) compared to other generations. Recent buyers initially contacted their agent by phone and interviewed only one agent.

Buyers were overall very satisfied with their agent's skills and qualities, such as honesty and integrity and knowledge of the purchase process. The majority of buyers would definitely recommend or use their agent again.

#### METHOD OF HOME PURCHASE Exhibits 4-1 to 4-4

Buyers from all generations typically used a real estate agent or broker to purchase their home. In 2017, younger buyers used agents more often than older buyers to purchase a home. Eighty-seven percent of all buyers purchased their home through an agent, as did 90 percent of buyers 37 years and younger, 85 percent of buyers 38 to 52, and 86 percent of buyers 53 to 62 years. Seven percent of buyers 63 to 71 purchased their homes directly from the previous owner. Nine percent of buyers 63 years and older purchased directly from the builder or builder's agent.

When working with an agent, whether or not buyers signed an agent representation disclosure agreement varied by generation. Twenty-four percent of buyers 37 years and younger did not sign a disclosure agreement, while 22 percent signed a disclosure at their first meeting. Buyers 38 to 52 (26 percent), 53 to 62 (30 percent), 63 to 71 (26 percent), and 72 years and older (28 percent) typically signed an agreement at the first meeting. Buyer representation arrangements were typically written agreements.

Buyers from all generations primarily wanted their agent's help to find the right home to purchase. Buyers were also looking for help to negotiate the terms of sale and to help with price negotiations. Particularly important to buyers 72 years and over was to have help with the paperwork (11 percent).



## AGENT BENEFITS AND CONTACT METHOD

### Exhibits 4-5 to 4-8

Working with a real estate agent during the home buying process has many benefits. The benefit that most buyers cited was help understanding the purchase process. Buyers 37 years and younger found help understanding the purchase process was most beneficial compared to other generations at 75 percent.

Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among buyers 37 years and younger (48 percent) and 38 to 52 (39 percent) compared to older generations. Buyers of all generations initially contacted their agent by phone. Initial contact through e-mail was most common among buyers 37 years and younger (18 percent) and 38 to 52 (15 percent). Buyers 72 years and older (25 percent) and 63 to 71 (22 percent) were the most likely to initially talk to their agent in person.

When interviewing agents to work with, buyers often interviewed only one real estate agent. At 76 percent, buyers 72 years and older were the most likely to interview only one agent.

## CHOOSING A REAL ESTATE AGENT

### Exhibits 4-9 to 4-11

When choosing an agent to work with, working with an agent that is honest and trustworthy was the most important factor for all buyers at 19 percent, as well as buyers 37 years and younger (23 percent), 38 to 52 (17 percent), and 53 to 71 (18 percent). For buyers 72 years and older, the reputation of the agent was the most important factor at 19 percent. Buyers 38 to 52 years found that an agent's experience was more important at 19 percent.

Recent buyers from all generations looked for agents who were honest and had integrity, were responsive, had knowledge of the purchase process, and had knowledge of the real estate market. It is interesting to see that an agent's skills with technology was more important to older buyers than young.

When communicating with their agent, recent buyers found it important that their agent personally calls to inform them of activities. It was particularly important to buyers 37 years and younger (74 percent) and 53 to 62 (71 percent) that the agent send postings as soon as a property is listed, a price changes, or is under contract, indicating low inventory in the market.



## SATISFACTION AND RECOMMENDATION OF AGENT

### Exhibits 4-12 to 4-14

Recent buyers from all generations were satisfied with their real estate agent's skills and qualities. Buyers 37 years and younger were most satisfied with the agent's knowledge of the purchase process at 90 percent. Buyers 63 years and older were most satisfied with the agent's honesty and integrity.

Across all generations, the majority of recent buyers would definitely use their agent again or recommend their agent to others. Eighty-nine percent of buyers 37 years and younger, 87 percent of 38 to 52, 87 percent of 53 to 62, 89 percent of 63 to 71, and 86 percent of buyers 72 years and older would definitely or probably use again or recommend their agent to others.

Since purchasing, buyers 38 to 62 years have recommended their agent twice. All other generations have recommended their agent once. Forty-five percent of buyers 72 years and older have not recommended their agent.



## HOME BUYING AND REAL ESTATE PROFESSIONALS

- Exhibit 4-1 METHOD OF HOME PURCHASE
- Exhibit 4-2 AGENT REPRESENTATION DISCLOSURE
- Exhibit 4-3 BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT
- Exhibit 4-4 WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS
- Exhibit 4-5 BENEFITS PROVIDED BY REAL ESTATE AGENT DURING HOME PURCHASE PROCESS
- Exhibit 4-6 HOW BUYER FOUND REAL ESTATE AGENT
- Exhibit 4-7 HOW TIMES CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT
- Exhibit 4-8 NUMBER OF REAL ESTATE AGENTS INTERVIEWED
- Exhibit 4-9 MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT
- Exhibit 4-10 AGENT SKILLS AND QUALITIES CONSIDERED 'VERY IMPORTANT'
- Exhibit 4-11 IMPORTANCE OF AGENT COMMUNICATIONS
- Exhibit 4-12 SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES
- Exhibit 4-13 WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS
- Exhibit 4-14 HOW MANY TIMES BUYER RECOMMENDED TYPICAL AGENT

HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-1

**METHOD OF HOME PURCHASE**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Through a real estate agent or broker	87%	90%	85%	86%	84%	84%
Directly from builder or builder's agent	7	4	8	7	9	9
Directly from the previous owner	6	5	5	5	7	6
Knew previous owner	3	3	3	3	4	3
Did not know previous owner	2	2	2	2	3	3



## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-2

### AGENT REPRESENTATION DISCLOSURE

(Percentage Distribution)

Disclosure Statement Signed?	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Yes, at first meeting	26%	22%	26%	30%	26%	28%
Yes, when contract was written	22	21	22	24	24	21
Yes, at some other time	13	13	16	14	8	9
No	21	24	16	19	23	26
Don't know	19	21	19	13	19	17

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-3

### **BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 52	53 to 62	63 to 71	72 to 92
Yes, a written arrangement	40%	37%	44%	43%	37%	32%
Yes, an oral arrangement	17	16	15	17	20	20
No	28	28	27	29	33	37
Don't know	15	19	14	11	10	11

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-4

### WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Help find the right home to purchase	52%	48%	51%	56%	58%	50%
Help buyer negotiate the terms of sale	13	14	14	12	9	11
Help with the price negotiations	11	11	13	10	9	9
Determine what comparable homes were selling for	6	6	6	5	6	7
Help with paperwork	7	8	7	6	7	11
Help determining how much home buyer can afford	5	6	4	5	3	7
Help find and arrange financing	3	3	3	3	4	2
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1	1	2	2	1	2
Other	2	2	2	2	2	1

\*Less than 1 percent

HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-5

**BENEFITS PROVIDED BY REAL ESTATE AGENT DURING HOME PURCHASE PROCESS**

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Helped buyer understand the process	60%	75%	59%	47%	46%	42%
Pointed out unnoticed features/faults with property	56	62	55	51	51	52
Negotiated better sales contract terms	47	53	48	41	42	34
Provided a better list of service providers (e.g. home inspector)	46	49	44	43	42	40
Improved buyer's knowledge of search areas	44	45	41	44	45	39
Negotiated a better price	38	39	38	33	34	40
Shortened buyer's home search	29	29	25	30	30	33
Provided better list of mortgage lenders	22	28	21	19	18	13
Expanded buyer's search area	20	22	18	19	21	16
Narrowed buyer's search area	15	14	14	15	16	17
None of the above	7	5	7	9	9	9
Other	2	1	2	3	2	1

\*Less than 1 percent

HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-6

**HOW BUYER FOUND REAL ESTATE AGENT**

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Referred by (or is) a friend, neighbor or relative	42%	48%	39%	36%	38%	32%
Used agent previously to buy or sell a home	12	8	12	15	14	18
Website (without a specific reference)	9	9	8	9	10	2
Visited an open house and met agent	6	6	6	6	5	7
Saw contact information on For Sale/Open House sign	5	3	3	4	6	9
Referred by another real estate agent/broker	4	5	5	5	6	4
Personal contact by agent (telephone, e-mail, etc.)	4	3	4	5	5	6
Referred through employer or relocation company	2	2	4	2	1	*
Walked into or called office and agent was on duty	2	1	1	2	2	7
Mobile or tablet application	1	1	2	1	*	1
Crowdsourcing through social media/knew the person through social media	1	1	1	*	*	*
Newspaper, Yellow Pages or home book ad	*	*	*	1	1	1
Advertising specialty (calendar, magnet, etc.)	*	*	*	*	*	*
Direct mail (newsletter, flyer, postcard, etc.)	*	*	1	1	*	1
Saw the agent's social media page without a connection	*	*	*	1	*	*
Other	11	12	14	12	11	11

\*Less than 1 percent

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-7

### HOW TIMES CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT

(Median, Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Phone call	41%	34%	39%	47%	48%	51%
Talked to them in person	20	18	21	20	22	25
E-mail	15	18	15	14	11	6
Ask a friend to put me in touch	9	10	8	7	7	10
Inquiry for more information through 3rd party website	7	8	5	5	6	3
Text message	5	6	8	4	2	3
Through agent's website	2	2	2	2	3	2
Social Media (FaceBook, Twitter, LinkedIn, etc.)	2	3	2	1	*	*
Number of Times Contacted (median)	1	1	1	1	1	1

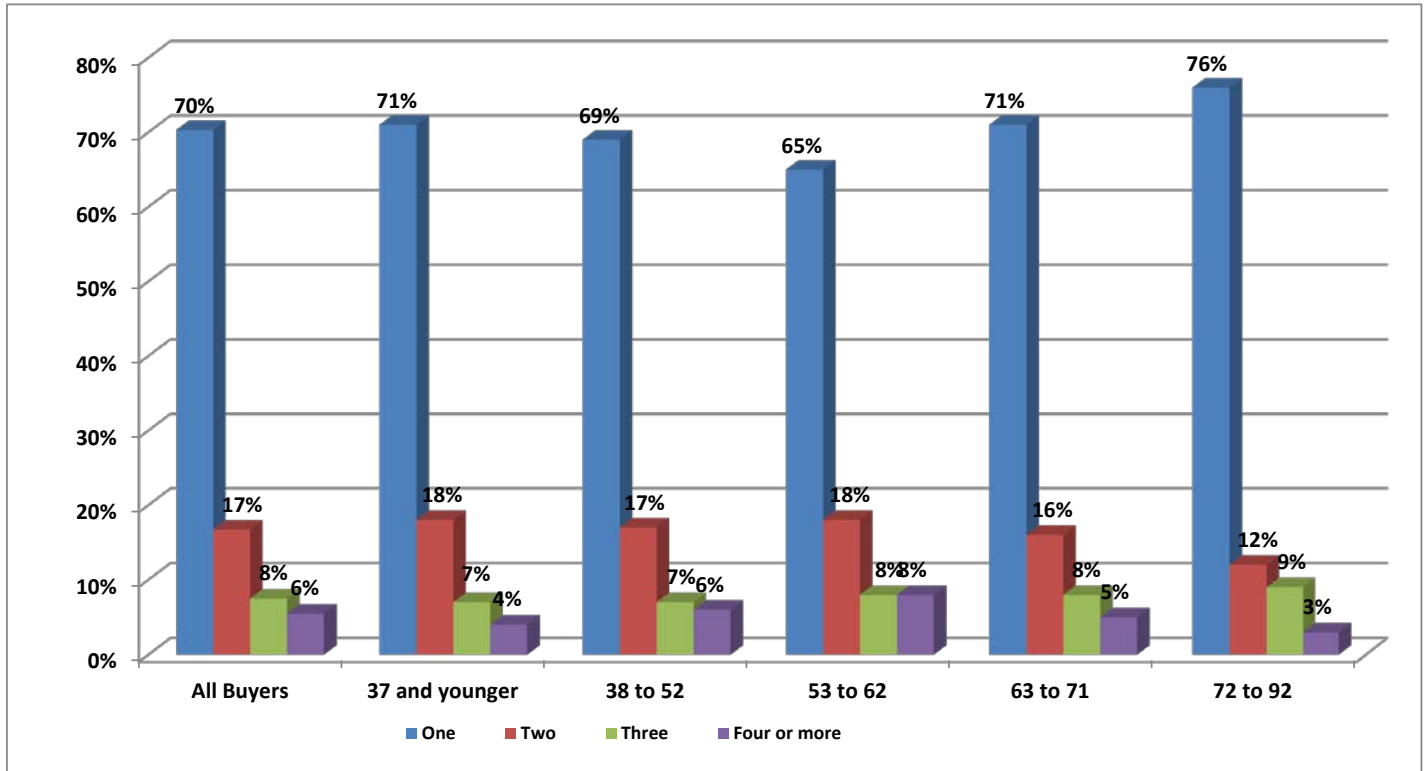
\*Less than 1 percent

# HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-8

## NUMBER OF REAL ESTATE AGENTS INTERVIEWED

(Percentage Distribution)



HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-9

**MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Agent is honest and trustworthy	19%	23%	17%	18%	18%	11%
Agent experience	17	14	19	18	17	16
Reputation of agent	17	18	13	16	17	19
Agent is friend or family member	15	16	17	13	12	14
Agent's knowledge of the neighborhood	8	5	9	8	10	12
Agent has caring personality/good listener	7	7	8	7	6	8
Agent is timely with responses	7	6	8	8	6	3
Agent seems 100% accessible because of use of technology like tablet or smartphone	4	4	3	5	5	5
Agent's association with a particular firm	2	1	1	2	3	4
Active in local community/volunteerism	1	*	1	1	1	1
Professional designations held by agent	1	1	*	*	*	1
Other	4	4	5	4	3	4

\*Less than 1 percent



## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-10

### AGENT SKILLS AND QUALITIES CONSIDERED 'VERY IMPORTANT'

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Honesty and integrity	97%	97%	98%	97%	97%	96%
Knowledge of purchase process	93	95	92	92	91	93
Responsiveness	93	93	94	93	89	90
Knowledge of real estate market	92	91	91	93	91	88
Communication skills	86	87	88	87	80	79
Negotiation skills	83	85	84	82	78	74
People skills	78	78	80	79	76	75
Knowledge of local area	77	73	77	79	83	79
Skills with technology	45	42	46	47	47	52

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-11

### IMPORTANCE OF AGENT COMMUNICATIONS

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Calls personally to inform of activities	76%	73%	76%	76%	79%	78%
Sends postings as soon as a property is listed/the price changes/under contract	71	74	70	71	70	54
Sends property info and communicates via text message	63	69	61	62	58	42
Sends emails about specific needs	55	60	53	54	51	42
Can send market reports on recent listings and sales	52	52	56	54	49	38
Has a website	31	27	32	36	34	37
Has a mobile site to show properties	30	31	29	30	31	30
Active in local community/volunteerism	13	12	14	13	13	19
Is active on social media	13	14	13	15	12	9
Sends an email newsletter	8	6	8	11	10	12
Advertises in newspapers	4	3	3	5	8	11
Has a blog	1	1	1	1	1	2

\*Less than 1 percent

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-12

### SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES

(Percent Ranking 'Very Satisfied')

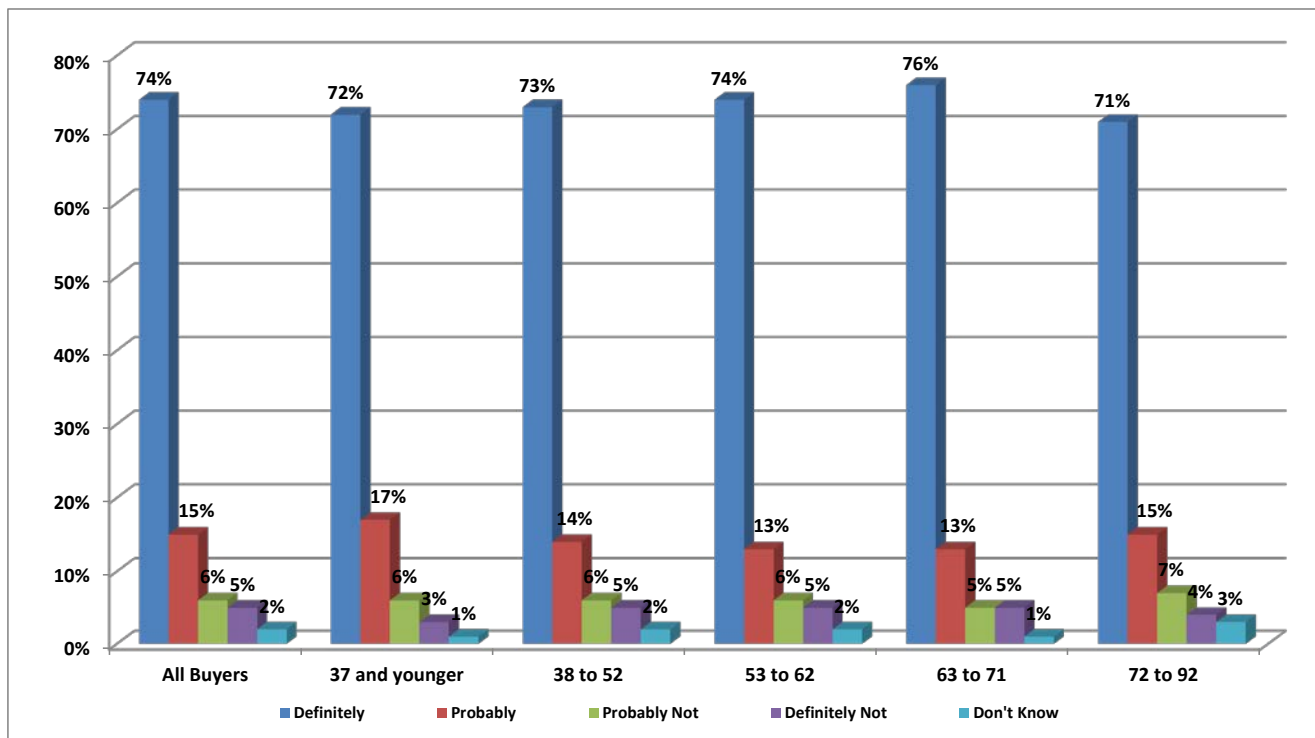
	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Knowledge of purchase process	89%	90%	87%	88%	91%	87%
Honesty and integrity	88	88	88	88	92	89
Knowledge of real estate market	87	87	86	87	87	87
Responsiveness	87	87	87	86	87	85
People skills	85	86	84	86	87	82
Communication skills	84	84	83	83	86	83
Knowledge of local area	84	82	84	84	86	88
Skills with technology	81	83	78	79	79	80
Negotiation skills	75	74	75	75	79	78

# HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-13

## WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage distribution)



## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-14

### HOW MANY TIMES BUYER RECOMMENDED TYPICAL AGENT

*(Percentage distribution)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
None	3%	33%	33%	34%	41%	45%
One time	91	18	14	15	16	11
Two times	3	20	18	21	16	21
Three times	1	11	11	11	8	9
Four or more times	2	17	23	18	19	14
Times recommended since buying (median)	1	1	2	2	1	1

## NATIONAL ASSOCIATION OF REALTORS 2018 Home Buyer and Seller Generational Trends

### Chapter 5: Financing the Home Purchase

While many share the desire to own their own home, financing the purchase has a variety of obstacles according to this year's survey responses. Eighty-eight percent of all buyers financed their homes last year. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-eight percent of buyers 37 years and younger financed, whereas only 70 percent of buyers aged 63 to 71 financed their home, and 53 percent of buyers 72 years and older.

Seventy-five percent of buyers 37 years and younger used savings for their downpayment compared to only 45 percent of buyers 72 years and older. Buyers 63 and older used proceeds from a previous sale more than any other generations. Younger buyers were also more likely to use a gift from a friend or relative for their downpayment at 23 percent or a loan from a friend or relative at six percent.

Thirteen percent of all buyers reported that saving for the downpayment was the most difficult task. For buyers 37 years and younger, this was 24 percent compared to only two percent of buyers 63 to 71 years.

Eleven percent of buyers said that the mortgage application process was more difficult than expect and 18 percent said it was easier. The highest share of buyers said that the mortgage application and approval process was no more difficult than expected at 49 percent, which was fairly consistent across age groups. Twenty-four percent of buyers 37 years and younger said the process was somewhat more difficult than expected.

#### **BUYERS WHO FINANCED THEIR HOME PURCHASE** Exhibits 5-1 and 5-2

Eighty-eight percent of all buyers financed their homes last year. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-eight percent of buyers 37 years and younger financed, whereas only 70 percent of buyers aged 63 to 71 financed their home, and 53 percent of buyers 72 years and older.

Fourteen percent of buyers, the same as last three years, financed 100 percent of the entire purchase price with a mortgage. The median percent financed for all buyers was 90 percent compared to 93 percent of buyers 37 years and younger and 77 percent for buyers 63 to 71 years.



## SOURCES OF DOWNPAYMENT

### Exhibits 5-3 and 5-4

Fifty-nine percent of recent home buyers used their savings as a downpayment source, down from 61 percent. Overall, this is still above the historical norm of 55 percent since 2000. For all buyers, the proceeds from the sale of a primary residence was the next most common downpayment source at 38 percent. Seventy-five percent of buyers 37 years and younger used savings for their downpayment compared to only 45 percent of buyers 72 years and older. Buyers 63 years and older used proceeds from a previous sale more than others. Younger buyers were also more likely to use a gift from a friend or relative for their downpayment at 23 percent or a loan from a gift or relative at six percent.

Forty-three percent of all buyers saved for six months or less for their downpayment. Twenty-seven percent of buyers 37 years and younger saved for more than two years. Buyers 72 to 92 years saved for the least amount of time—58 percent—citing that they saved for six months or less. Twenty-nine percent of this group also cited saving for more than two years.

## DEBT DELAY AND SOURCES OF DEBT

### Exhibits 5-5 and 5-6

For all buyers, the median period of time that debt delayed home buyers from saving for a downpayment was three years, the same as last year. Eighteen percent were delayed for five years and 22 percent were delayed for more than five years. For buyers 37 years and younger, three years was the median compared to five years for buyers 53 to 71 years. Twenty-three percent of buyers 37 years and younger were delayed two years whereas 39 percent of buyers 53 to 62 years were delayed more than five years.

Thirteen percent of all buyers reported that saving for the downpayment was the most difficult task. For buyers 37 years and younger, this was 24 percent compared to only two percent of buyers 63 to 71 years. Forty-nine percent of all buyers who had problems saving reported that student loan debt delayed buying a home. Fifty-three percent of buyers who were delayed saving who are 37 years and younger reported being delayed due to student loan debt as did 25 percent for buyers 38 to 52 years. Buyers aged 38 to 52 reported being delayed more those 37 and younger because of their credit card debt, child care expenses, and health care costs.

## SACRIFICES MADE TO PURCHASE HOME

### Exhibit 5-7

Some buyers chose to make financial sacrifices in order to make a home purchase. Sixty percent of buyers did not need to make any sacrifices. For all buyers, the most common sacrifices reported were a cut in spending on luxury or non-essential items (28



percent), a cut in spending on entertainment (21 percent), and a cut in spending on clothes (15 percent). For buyers 37 years and younger, 41 percent cut spending on luxury items compared to six percent of buyers 72 years and older. Inversely, only 45 percent of buyers 37 years and younger reported not making any sacrifices compared to 84 percent of buyers 72 years and older.

### **DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS AND SOLD A DISTRESSED PROPERTY** **Exhibits 5-8 through 5-10**

Eleven percent of buyers said that the mortgage application process was more difficult than expect and 18 percent said it was easier. The highest share of buyers said that the mortgage application and approval process was no more difficult than expected at 49 percent, which was fairly consistent across age groups. Twenty-four percent of buyers 37 years and younger said the process was somewhat more difficult than expected.

Five percent of successful home buyers were previously rejected by a mortgage lender. Six percent of buyers 37 years and younger were rejected and only two percent of buyers 63 to 71 years. The median number of times an application was denied was one, except for buyers 63 to 71 years who were rejected a median of two times. The top reasons for rejection were debt-to-income ratio (12 percent), low credit score (11 percent), income was unable to be verified (five percent), and other reasons (63 percent). Debt-to-income ratio, low credit score, and unverifiable income was highest among buyers 37 years and younger compared to all other generations.

Nine percent of recent buyers had a distressed property sale in the past—either a short sale or a foreclosure—and the typical year for a distressed sale was in 2010. For buyers 37 years and younger, only five percent had a distressed sale compared to 13 percent for buyers 38 to 52 years. The typical year the buyer aged 38 to 52 had a distressed sale was in 2011.

### **STUDENT LOAN DEBT** **Exhibit 5-11**

Twenty-six percent of all buyers reported having student loan debt with a median amount of \$25,000. Twenty-seven percent of buyers who have student loan debt have debt between \$10,000 and \$24,999. For buyers 37 years and younger, 46 percent have student debt with a median amount of \$27,000 compared to just four percent for buyers 63 to 71 years. Twenty-nine percent of this age group also reported having less than \$10,000 in debt. While a smaller share of buyers aged 38 to 52, 26 percent, have student loan debt, the loan debt amount they have is the highest at \$28,000.





## TYPE OF MORTGAGE AND LOAN

### Exhibits 5-12 and 5-13

Ninety-two percent of all buyers used a fixed rate mortgage, 93 percent for buyers 38 to 52 years and 82 percent for buyers 72 years and older. Fifty-eight percent of buyers chose a conventional loan to finance their home, consistent with last year. Twenty-three percent of buyers reported securing a FHA loan and 13 percent chose a VA loan. Only 56 percent of buyers 37 years and younger used a conventional loan compared to 68 percent of buyers 63 to 71 years. Twenty-seven percent of buyers 37 years and younger used a FHA loan and 10 percent used a VA loan. VA loans were most common among buyers aged 72 to 92.

## BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

### Exhibit 5-14

Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported that they view that a home purchase is a good financial investment and 44 percent said it was better than owning stock. Only five percent reported that it was not a good financial investment. Eighty-six percent of buyers 37 years and younger said owning a home was a good financial investment compared to 72 percent of buyers 72 years and older. Only three percent of buyers 37 years and younger said they considered it not to be a good financial investment.



## FINANCING THE HOME PURCHASE

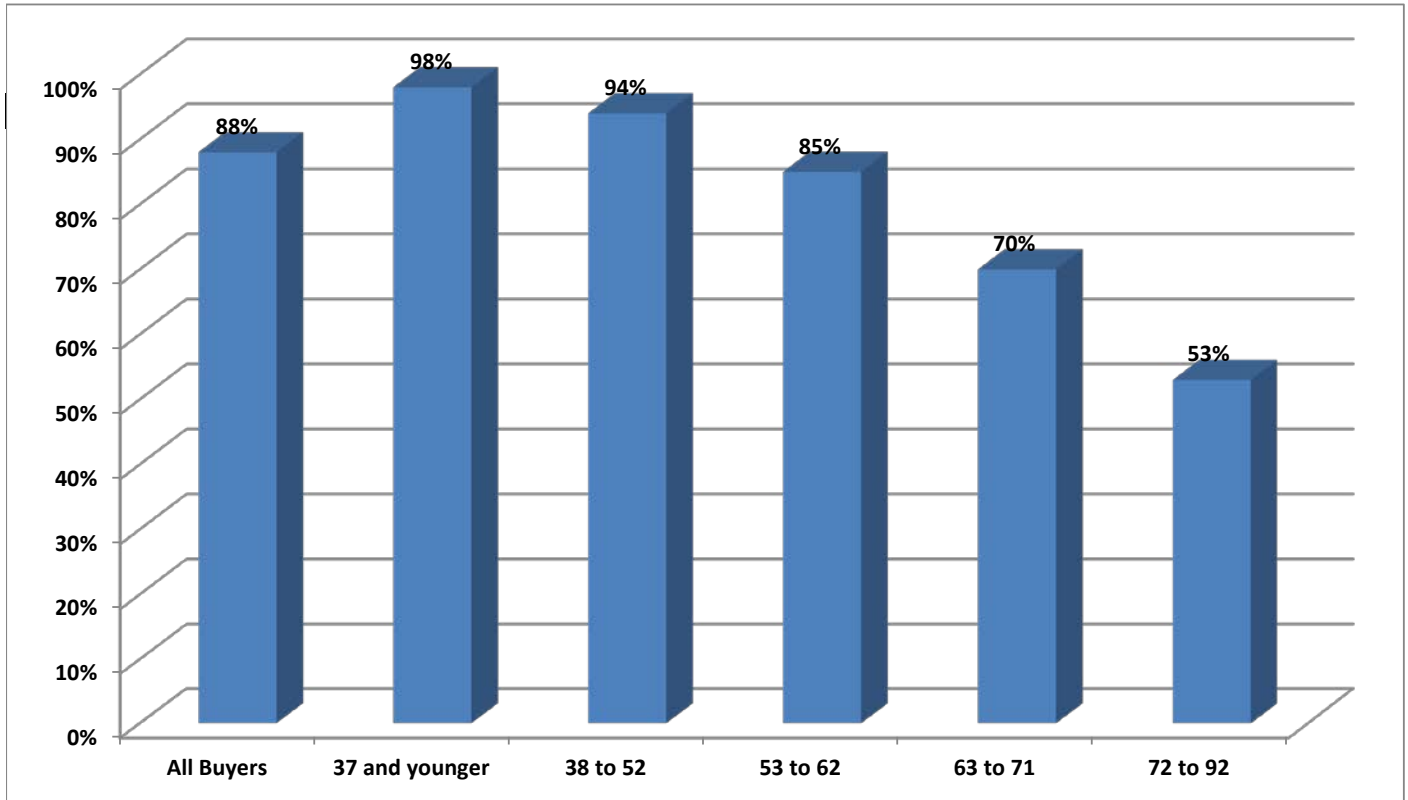
- Exhibit 5-1 BUYERS WHO FINANCED THEIR HOME PURCHASE
- Exhibit 5-2 PERCENT OF HOME FINANCED
- Exhibit 5-3 SOURCES OF DOWNPAYMENT
- Exhibit 5-4 LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT
- Exhibit 5-6 EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY AGE
- Exhibit 5-7 SACRIFICES MADE TO PURCHASE HOME
- Exhibit 5-8 DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS
- Exhibit 5-9 BUYER MORTGAGE APPLICATION HAD BEEN REJECTED FROM MORTGAGE LENDER
- Exhibit 5-10 BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)
- Exhibit 5-11 BUYERS WHO HAVE STUDENT LOAN DEBT
- Exhibit 5-12 TYPE OF MORTGAGE
- Exhibit 5-13 TYPE OF LOAN
- Exhibit 5-14 BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

## FINANCING THE HOME PURCHASE

Exhibit 5-1

### BUYERS WHO FINANCED THEIR HOME PURCHASE

(Percent of Respondents)



## FINANCING THE HOME PURCHASE

Exhibit 5-2

### PERCENT OF HOME FINANCED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than 50%	9%	5%	6%	13%	22%	16%
50% to 59%	3	1	2	5	8	4
60% to 69%	5	2	5	6	9	10
71% to 79%	12	10	13	16	16	12
80% to 89%	22	23	22	24	17	23
90% to 94%	14	17	17	11	6	6
95% to 99%	21	28	22	12	7	8
100% - Financed the entire purchase price with a mortgage	14	15	13	13	14	21
<b>Median percent financed</b>	<b>90%</b>	<b>93%</b>	<b>91%</b>	<b>84%</b>	<b>77%</b>	<b>83%</b>

FINANCING THE HOME PURCHASE

Exhibit 5-3

**SOURCES OF DOWNPAYMENT**

(Percent of Respondents Among those who Made a Downpayment)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Savings	59%	75%	58%	46%	42%	45%
Proceeds from sale of primary residence	38	21	40	50	56	57
Gift from relative or friend	13	23	12	5	3	2
401k/pension fund including a loan	8	7	12	8	4	1
Sale of stocks or bonds	6	7	7	4	5	8
Inheritance	4	3	3	6	3	4
Tax Refund	4	6	4	3	1	1
Individual Retirement Account (IRA)	3	2	2	3	5	3
Loan from relative or friend	3	6	3	2	1	2
Proceeds from sale of real estate other than primary residence	3	1	2	4	5	4
Equity from primary residence buyer continue to own	2	2	1	2	3	3
Loan or financial assistance from source other than employer	1	1	2	1	*	1
Loan from financial institution other than a mortgage	1	*	1	1	1	2
Loan or financial assistance through employer	*	*	1	*	*	*
Other	4	3	5	4	3	3

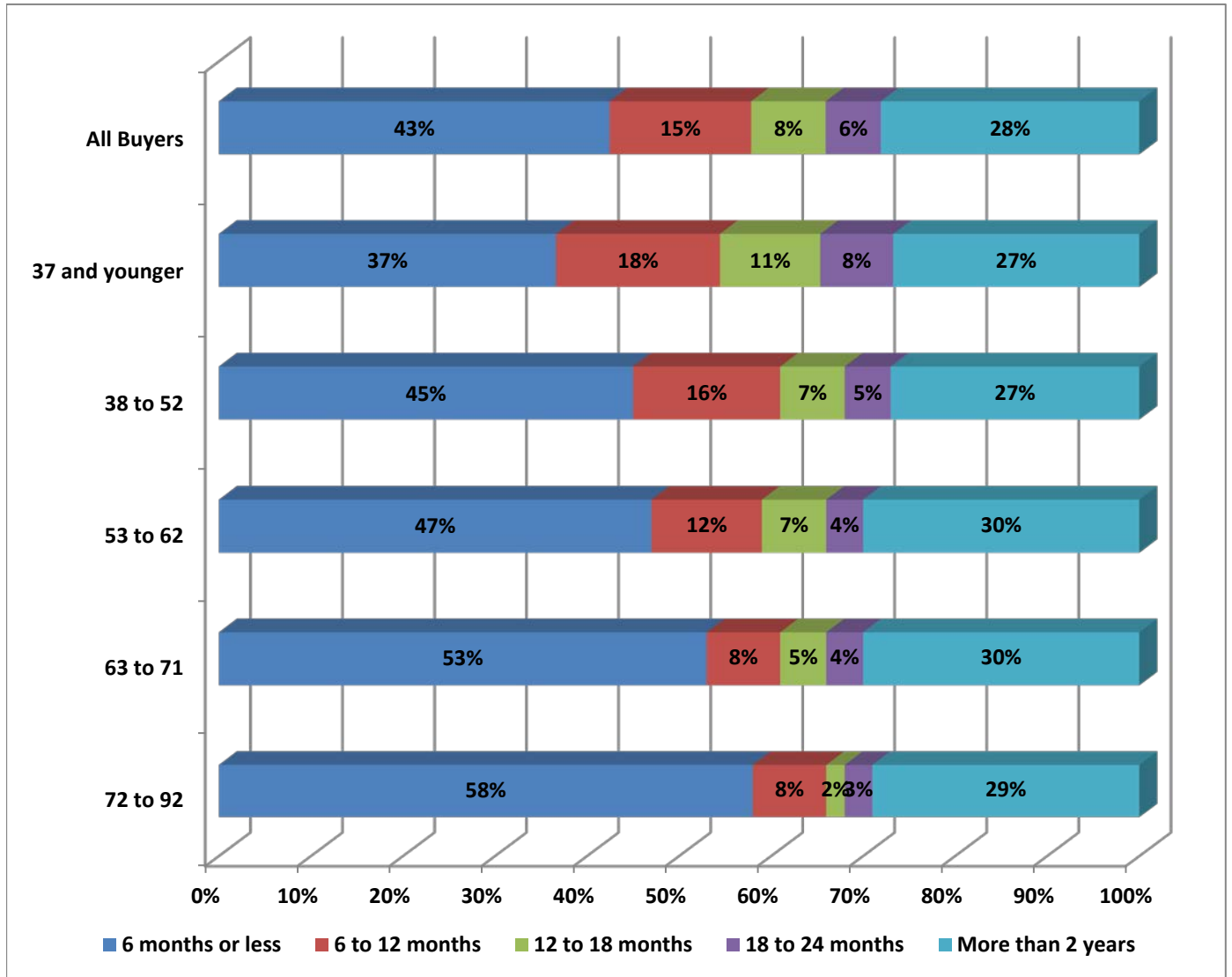
\* Less than 1 percent

# FINANCING THE HOME PURCHASE

Exhibit 5-4

## LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT

(Percentage Distribution Among those who Made a Downpayment)



## FINANCING THE HOME PURCHASE

Exhibit 5-5

### YEARS DEBT DELAYED HOME BUYERS FROM SAVING FOR A DOWNPAYMENT OR BUYING A HOME

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
One year	16%	19%	13%	18%	16%	18%
Two years	21	23	20	11	22	41
Three years	14	17	13	10	7	6
Four years	9	7	9	9	11	18
Five years	18	19	21	13	11	6
More than five years	22	15	24	39	33	12
Median	3	3	4	5	5	2

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

Exhibit 5-6

### EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY AGE

(Percent of Respondents Who Reported Saving for a Down Payment was Difficult)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Share Saving for Downpayment was Most Difficult Task in Buying Process:	13%	24%	13%	5%	2%	1%
<b>Debt that Delayed Saving:</b>						
Student Loans	49%	53%	25%	8%	8%	*
Credit card debt	42	32	41	30	18	14
Car loan	37	32	24	14	6	3
Child care expenses	20	16	18	2	2	3
Health care costs	19	12	14	19	8	6
Other	17	19	29	46	70	78
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	2	3	4	5	4	2

\* Less than 1 percent



## FINANCING THE HOME PURCHASE

Exhibit 5-7

### SACRIFICES MADE TO PURCHASE HOME

(Percent of Respondents)

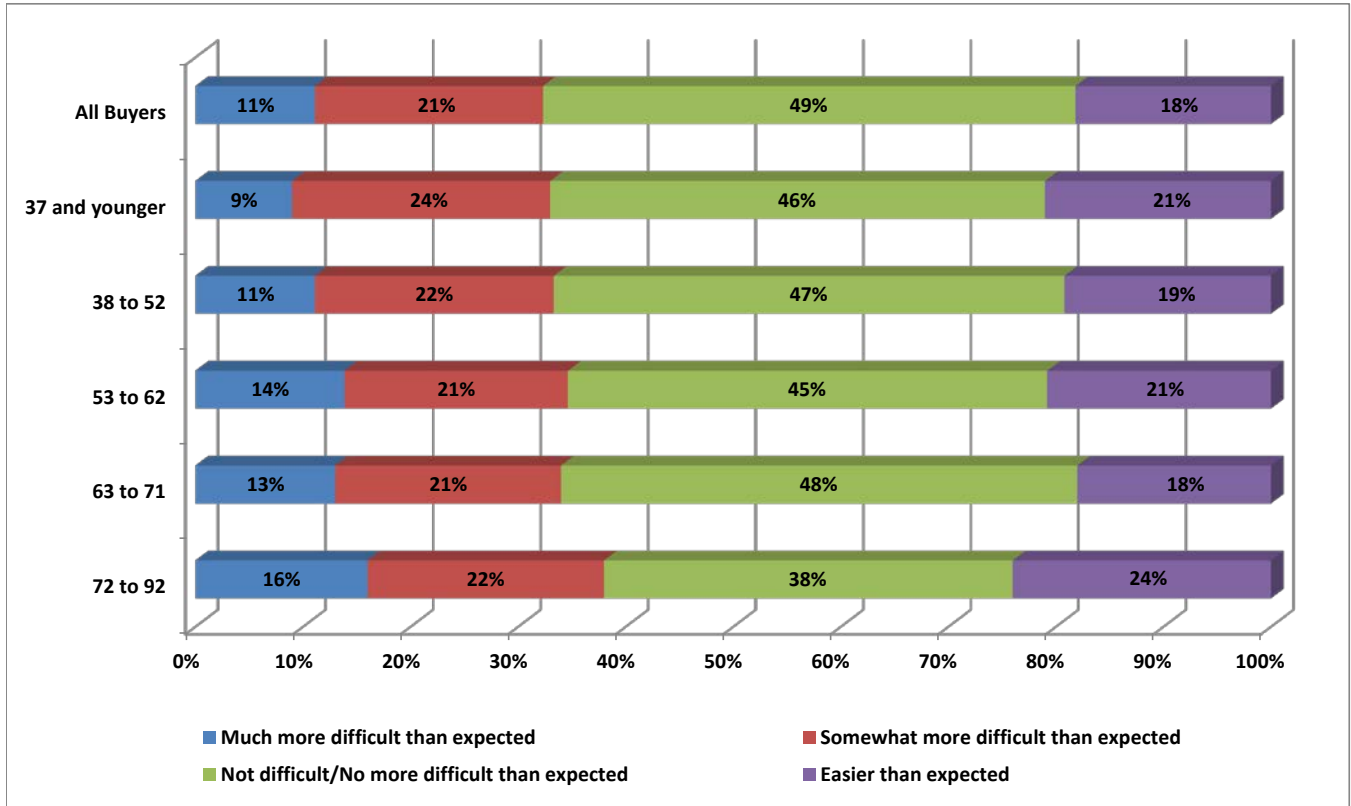
	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Cut spending on luxury items or non-essential items	28%	41%	30%	17%	12%	6%
Cut spending on entertainment	21	31	22	12	8	5
Cut spending on clothes	15	23	15	8	6	5
Canceled vacation plans	9	10	12	7	6	4
Paid minimum payments on bills	8	12	10	4	2	2
Earned extra income through a second job	5	7	6	3	2	3
Sold a vehicle or decided not to purchase a vehicle	4	6	5	3	3	2
Other	4	4	4	5	4	4
Did not need to make any sacrifices	60	45	55	73	79	84

# FINANCING THE HOME PURCHASE

Exhibit 5-8

## DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS

(Percentage Distribution Among those who Financed their Home Purchase)



## FINANCING THE HOME PURCHASE

Exhibit 5-9

### REASONS MORTGAGE LENDER REJECTED BUYER APPLICATION

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Have had application denied	5%	6%	5%	5%	2%	4%
Median number of times application was denied	1	1	1	1	2	1
Debt-to-income ratio	12%	23%	9%	12%	3%	6%
Low credit score	11	16	10	10	3	4
Income was unable to be verified	5	6	3	8	1	*
Not enough money in reserves	5	6	7	4	5	*
Insufficient downpayment	5	5	8	2	4	4
Too soon after refinancing another property	1	*	1	1	*	*
Other	63	52	62	66	89	72

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

Exhibit 5-10

### **BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Sold distressed property	9%	5%	13%	11%	7%	5%
Year sold distressed property (median)	2010	2009	2011	2010	2010	2012

## FINANCING THE HOME PURCHASE

Exhibit 5-11

### BUYERS WHO HAVE STUDENT LOAN DEBT

(Percentage Distribution)

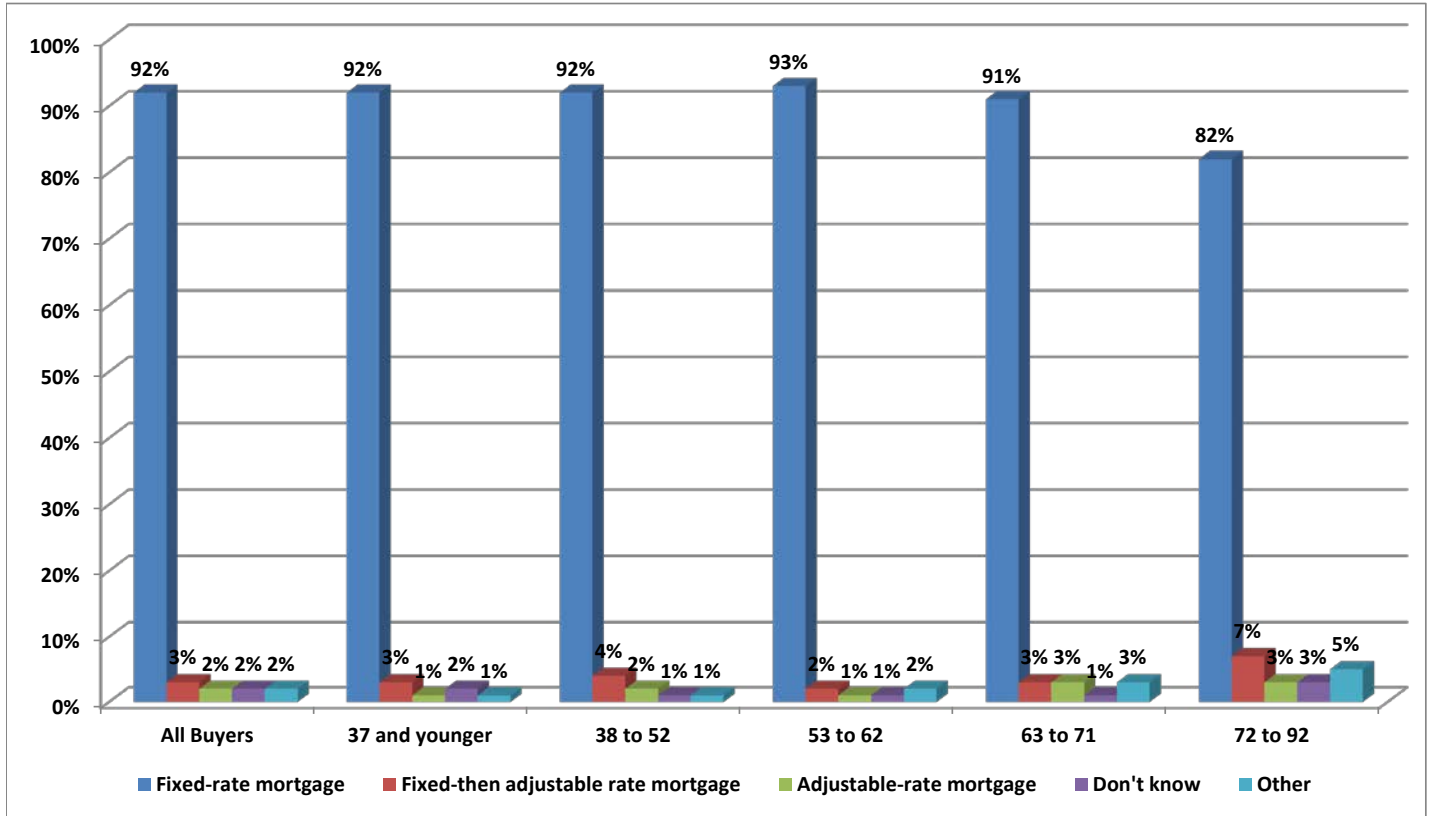
	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Have student loan debt	26%	46%	26%	11%	4%	2%
Under \$10,000	20%	19%	18%	27%	29%	33%
\$10,000 to \$24,999	27	28	27	30	21	33
\$25,000 to \$49,999	23	24	25	16	15	*
\$50,000 to \$74,999	13	14	11	13	24	*
\$75,000 or more	17	16	19	14	12	33
Median amount of student loan debt	\$25,000	\$27,000	\$28,000	\$20,000	\$25,500	\$15,000

# FINANCING THE HOME PURCHASE

Exhibit 5-12

## TYPE OF MORTGAGE

(Percentage Distribution Among those who Financed their Home Purchase)

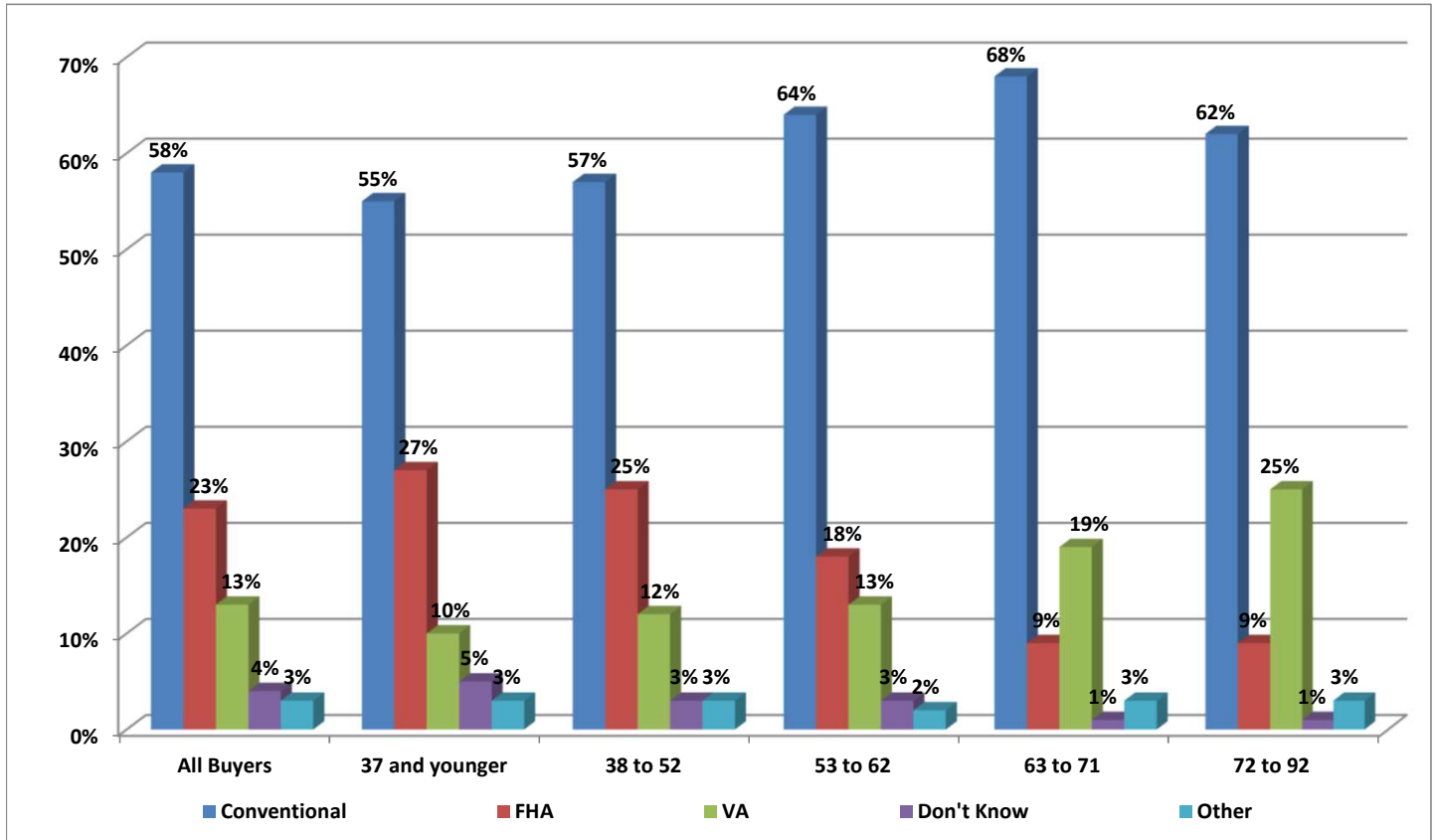


# FINANCING THE HOME PURCHASE

Exhibit 5-13

## TYPE OF LOAN

(Percentage Distribution Among those who Financed their Home Purchase)



## FINANCING THE HOME PURCHASE

Exhibit 5-14

### BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
<b>Good financial investment</b>	83%	86%	84%	80%	79%	72%
<b>Better than stocks</b>	44	45	45	42	40	34
<b>About as good as stocks</b>	27	29	27	26	28	25
<b>Not as good as stocks</b>	12	12	12	12	11	13
<b>Not a good financial investment</b>	5	3	4	6	7	7
<b>Don't know</b>	13	1	12	14	13	20



## NATIONAL ASSOCIATION OF REALTORS 2018 Home Buyer and Seller Generational Trends

### Chapter 6: Home Sellers and their Selling Experience

While housing inventory is constrained in many areas, sellers see a favorable market where they receive a median of 99 percent of their asking price across all age groups.

For all sellers, the median price of the home sold was \$249,000 and they traded up to a home that was \$279,000 with a difference of \$30,000 (up from \$12,300 last year). Sellers 63 years and older tended to trade down and purchase less expensive homes; whereas sellers 62 years and younger bought more expensive homes.

This year, home sellers cited that they sold their homes for a median of \$47,500 more than they purchased it. Sellers 37 years and younger gained a median of \$29,000 in equity compared to sellers 72 years and over that gained \$60,000 in equity as they likely had lived in their homes for a longer period of time. Sixty-two percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and fairly consistent across all age groups.

#### HOME SELLER CHARACTERISTICS Exhibits 6-1 through 6-6

The typical age of home sellers was 55 this year. Sellers 38 to 52 years made up 26 percent of all sellers (down from 29 percent last year) with a median age of 45 years, followed by sellers 53 to 62 years at 23 percent with a median age of 58 years.

The median income in 2017 for the typical household was \$100,300. Sellers 38 to 52 years had the highest income of \$123,600 and sellers over 72 years had the lowest income of \$72,300 (up from \$63,300 last year).

The share of sellers who are married was 74 percent this year. Married couples were the highest for sellers 37 years and younger at 87 percent and the lowest for sellers 72 years and over at 64 percent. Single female sellers made up the next largest share at 15 percent for all sellers; the share increases with age from four percent of single female sellers 37 years and younger to 24 percent for sellers 72 years and older.

Of all homes sold on the market, 65 percent did not have children under the age of 18 residing in the home. For sellers 72 years and over, 99 percent did not have children living at home. For sellers 37 years and younger, 77 percent reported having at least one child at home.



For all sellers, 90 percent identified as white or Caucasian and 98 percent of households speak English as their primary language. This was consistent across each age group and sellers 38 to 52 reported the most ethnic and racial diversity.

## HOME SELLING SITUATION

### Exhibits 6-7 and 6-8

Repeat sellers made up 66 percent of all sellers, with 34 percent accounting for first-time home sellers (down from 40 percent last year). Among sellers 37 years and younger, 77 percent were first-time sellers. For sellers 72 years and older years, 91 percent were repeat sellers.

Seventy-three percent of all sellers sold their home in the same state as the home they recently purchased. For sellers 37 years and younger, 81 percent purchased in the same state compared to 65 percent of sellers 63 to 71 years.

## HOME SOLD VS. HOME PURCHASED

### Exhibits 6-9 through 6-14

Half of the homes sold (52 percent) were located in the suburbs or a subdivision. Fifty-eight percent of sellers 38 to 52 years sold in suburbs or a subdivision compared to only 46 percent of sellers 63 to 71 years. Eighty-one percent of all homes sold were detached single-family homes. Sellers 37 years and younger were the largest group to sell townhomes at nine percent and sellers 37 years and under sold apartments or condos at six percent.

For all sellers, the median size of the home sold was 1,900 square feet and they purchased a home that was also 2,100 square feet. Buyers 52 years and younger tended to trade up and purchase a home that 500 to 700 square feet more than what they sold. Buyers 53 to 62 years and older tended to trade down by 100 square feet. For sellers of all ages, they bought and sold a home with a median of three bedrooms and two bathrooms.

For all sellers, the median price of the home sold was \$249,000 and they traded up to a home that was \$279,000 with a difference of \$30,000 (up from \$12,300 last year). Sellers 63 years and older tended to trade down and purchase less expensive homes; whereas sellers 62 years and younger bought more expensive homes.

For all sellers, the most commonly cited reason for selling their home was that it was too small (16 percent), followed by the desire to move closer to friends and family (14 percent), and a job relocation (11 percent). For sellers 37 and under, they cited that the home was too small (34 percent), which was higher than any other age group. For sellers 63 years and over, they cited they wanted to be closer to friends and family (28



percent). Sellers 38 to 52 years cited that the home was too small (20 percent) and selling for a job relocation (18 percent).

### **SELLER STALLED HOME SALE AND TENURE IN HOME** **Exhibits 6-15 and 6-16**

Nine percent of recent sellers stalled or delayed their home sale because their home was worth less than their mortgage, down from 12 percent in the year prior. Fifteen percent of sellers 38 to 52 years stalled their home sale compared to two percent of sellers 72 years and older.

The median number of years a seller remained in their home was 10, the same as last year. That number is still higher than reported in 1985 to 2008 reports where the tenure in the home was six or fewer years. Sellers 37 years and younger stayed in their home for six years compared to sellers 72 years and older that stayed for 16 years.

### **DISTANCE MOVED** **Exhibits 6-17**

The purchasing habits of sellers lead them to buy close to where they previously lived, moving a median of 18 miles away. Sellers 38 to 52 typically moved only 15 miles away and sellers 63 to 71 moved the greatest distance of 39 miles.

### **METHOD OF SALE** **Exhibits 6-18**

Eighty-nine percent of home sellers worked with a real estate agent to sell their home, which is consistent across most age groups, except for only 83 percent of sellers 72 years and older who worked with an agent or broker. For-Sale-By-Owner (FSBO) was low at eight percent this year, which is the lowest recorded in this data set. The share of FSBO sellers was lowest at seven percent for sellers 38 to 52 and 63 to 71, and highest at 14 percent for those 72 to 92 years. The method of sale tends to differ in conjunction with the relationship between the buyer and seller. If the buyer and seller know each other, the sale can be either an arms-length transaction consistent with local market conditions or it may involve considerations that would be not be relevant in the absence of a prior relationship.

### **SALES PRICE AND TIME ON THE MARKET** **Exhibits 6-19 through 6-21**

For recently sold homes, the final sales price was a median 99 percent of the final listing price. Sellers 38 to 71, the final sales price was 98 percent of the listing price. The median time on market was three weeks. For sellers 37 years and younger, time on market was a



median of two weeks, four weeks for sellers 38 to 71 years, and a median of six weeks for sellers 72 years and older.

Sixty percent of all sellers did not reduce their asking price, whereas 22 percent reduce once and 10 percent reduce the asking price twice. Sixty-seven percent of sellers 37 years and younger did not reduce their asking price at all compared to 54 percent of sellers 53 to 62.

### **INCENTIVES TO PROSPECTIVE BUYERS**

#### **Exhibits 6-22**

Thirty-seven percent of all sellers offered incentives to attract buyers. This varies across age groups where it was less likely for sellers 72 years and over to offer incentives and more likely for sellers 37 years and younger. Home warranty policies followed by assistance with closing costs were the top two listed incentives when selling a home across all age groups.

### **SATISFACTION WITH THE SALES PROCESS**

#### **Exhibit 6-23**

Sixty-two percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and fairly consistent across all age groups.

### **EQUITY BY TENURE**

#### **Exhibit 6-24**

This year, home sellers cited that they sold their homes for a median of \$47,500 more than they purchased it, up from \$43,100 the year prior. This accounts for a 26 percent price gain. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation. Sellers 37 years and younger gained the least at \$29,000 in equity compared to sellers 72 years and over that gained \$60,000 in equity as they likely had lived in their homes for a longer period of time.



## HOME SELLERS AND THEIR SELLING EXPERIENCE

- Exhibit 6-1 AGE OF HOME SELLERS
- Exhibit 6-2 HOUSEHOLD INCOME OF HOME SELLERS
- Exhibit 6-3 ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS
- Exhibit 6-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD
- Exhibit 6-5 RACE/ETHNICITY OF HOME SELLERS
- Exhibit 6-6 PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD
- Exhibit 6-7 FIRST-TIME OR REPEAT SELLER
- Exhibit 6-8 PROXIMITY OF HOME SOLD TO HOME PURCHASED
- Exhibit 6-9 LOCATION OF HOME SOLD
- Exhibit 6-10 TYPE OF HOME SOLD
- Exhibit 6-11 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD
- Exhibit 6-12 NUMBER OF BEDROOMS AND BATHROOMS
- Exhibit 6-13 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD
- Exhibit 6-14 PRIMARY REASON FOR SELLING PREVIOUS HOME
- Exhibit 6-15 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE
- Exhibit 6-16 TENURE IN PREVIOUS HOME
- Exhibit 6-17 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD
- Exhibit 6-18 METHOD USED TO SELL HOME
- Exhibit 6-19 SALES PRICE COMPARED WITH LISTING PRICE
- Exhibit 6-20 NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET
- Exhibit 6-21 NUMBER OF TIMES ASKING PRICE WAS REDUCED
- Exhibit 6-22 INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET
- Exhibit 6-23 SATISFACTION WITH THE SELLING PROCESS

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-1

### AGE OF HOME SELLERS

*(Percentage Distribution)*

	Year Born:	Age in 2017:	Percent in Category	Median Age in Group
Millennials/Gen Y/Gen Next:	1980-1995	37 and younger	20%	33
Gen X:	1965-1979	38 to 52	26	45
Younger Boomers:	1955-1964	53 to 62	23	58
Older Boomers:	1946-1954	63 to 71	22	67
Silent Generation:	1925-1945	72 to 92	10	76

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-2

## HOUSEHOLD INCOME OF HOME SELLERS

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than \$25,000	2%	1%	*	3%	3%	5%
\$25,000 to \$34,999	3	1	1	4	5	7
\$35,000 to \$44,999	4	2	2	5	7	10
\$45,000 to \$54,999	6	3	3	5	11	11
\$55,000 to \$64,999	7	5	5	8	11	9
\$65,000 to \$74,999	7	7	4	7	9	11
\$75,000 to \$84,999	8	11	7	8	7	10
\$85,000 to \$99,999	12	15	11	10	12	9
\$100,000 to \$124,999	16	23	18	13	14	13
\$125,000 to \$149,999	11	12	14	11	8	7
\$150,000 to \$174,999	8	8	10	9	5	3
\$175,000 to \$199,999	5	5	8	6	2	1
\$200,000 or more	11	6	16	12	8	4
<b>Median income (2017)</b>	<b>\$100,300</b>	<b>\$105,400</b>	<b>\$123,600</b>	<b>\$100,000</b>	<b>\$80,700</b>	<b>\$72,300</b>

\* Less than 1 percent

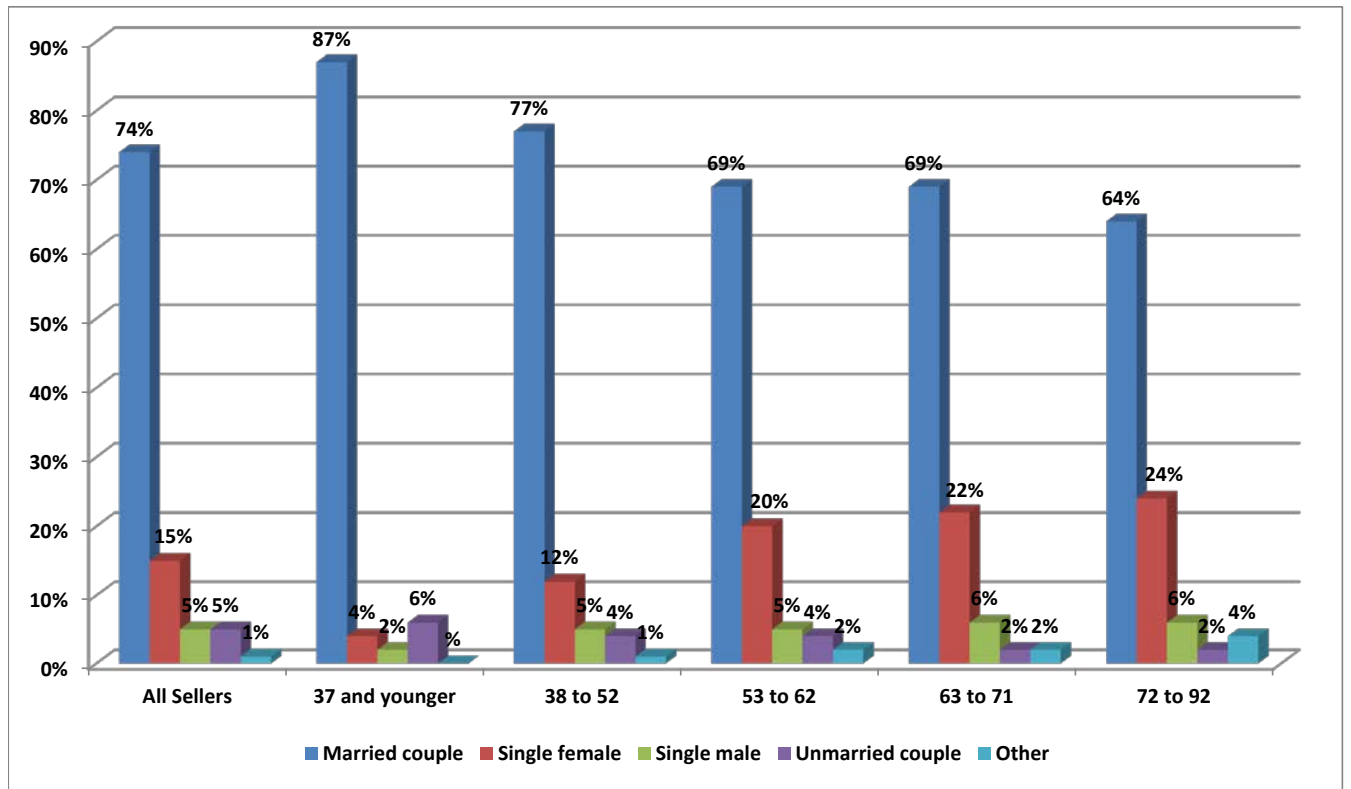


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-3

## ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS

(Percentage Distribution)



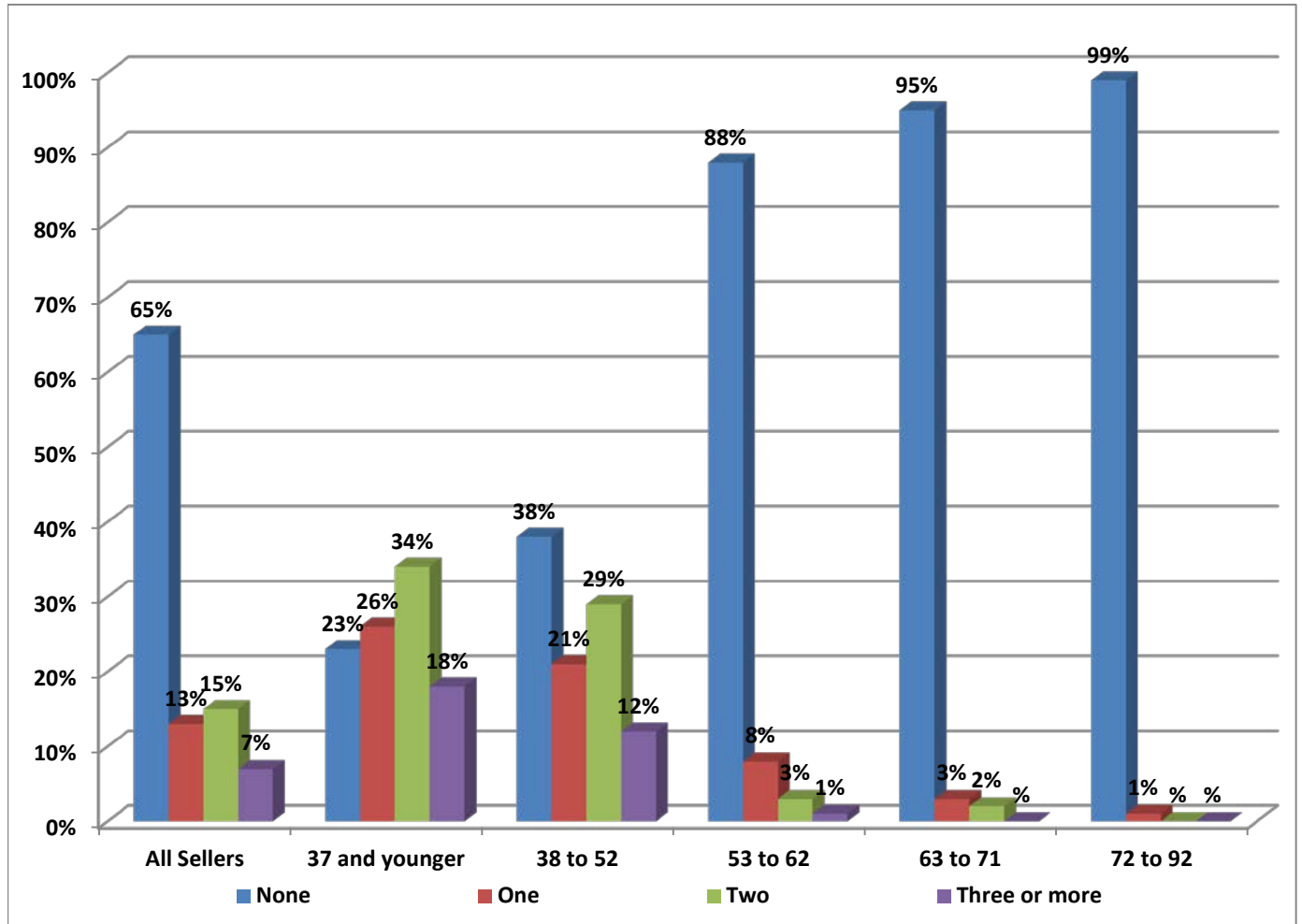


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-4

## NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD

(Percentage Distribution of Home Seller Households)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-5

### RACE/ETHNICITY OF HOME SELLERS

(Percent of Respondents)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
White/Caucasian	90%	88%	87%	88%	94%	97%
Hispanic/Latino	4	8	4	4	3	1
Asian/Pacific Islander	3	5	5	3	2	*
Black/African-American	3	3	4	5	1	1
Other	2	1	2	2	1	1

\* Less than 1 percent

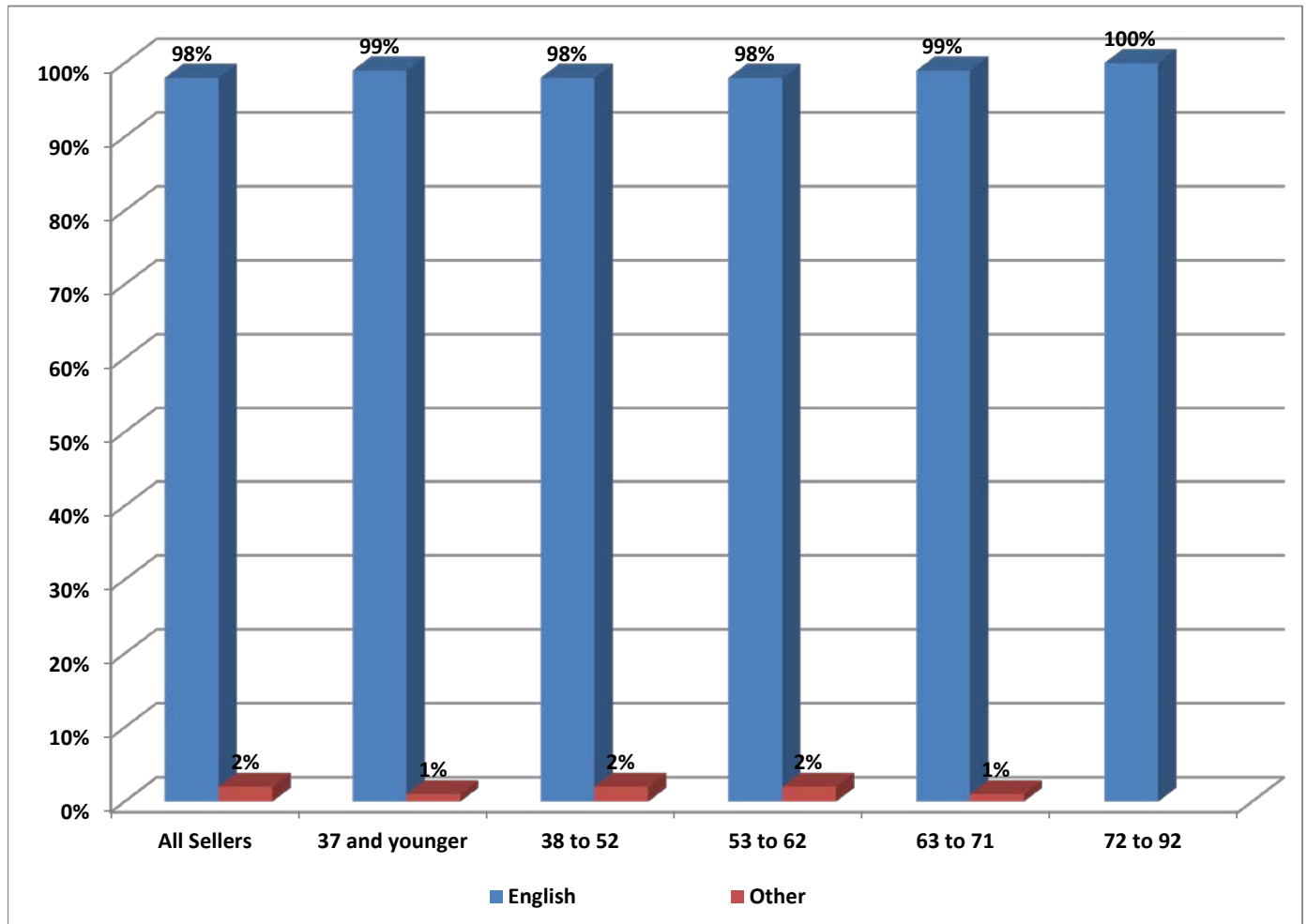
Note: Respondents were permitted to select as many races and ethnicities as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-6

## PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD

(Percentage Distribution)

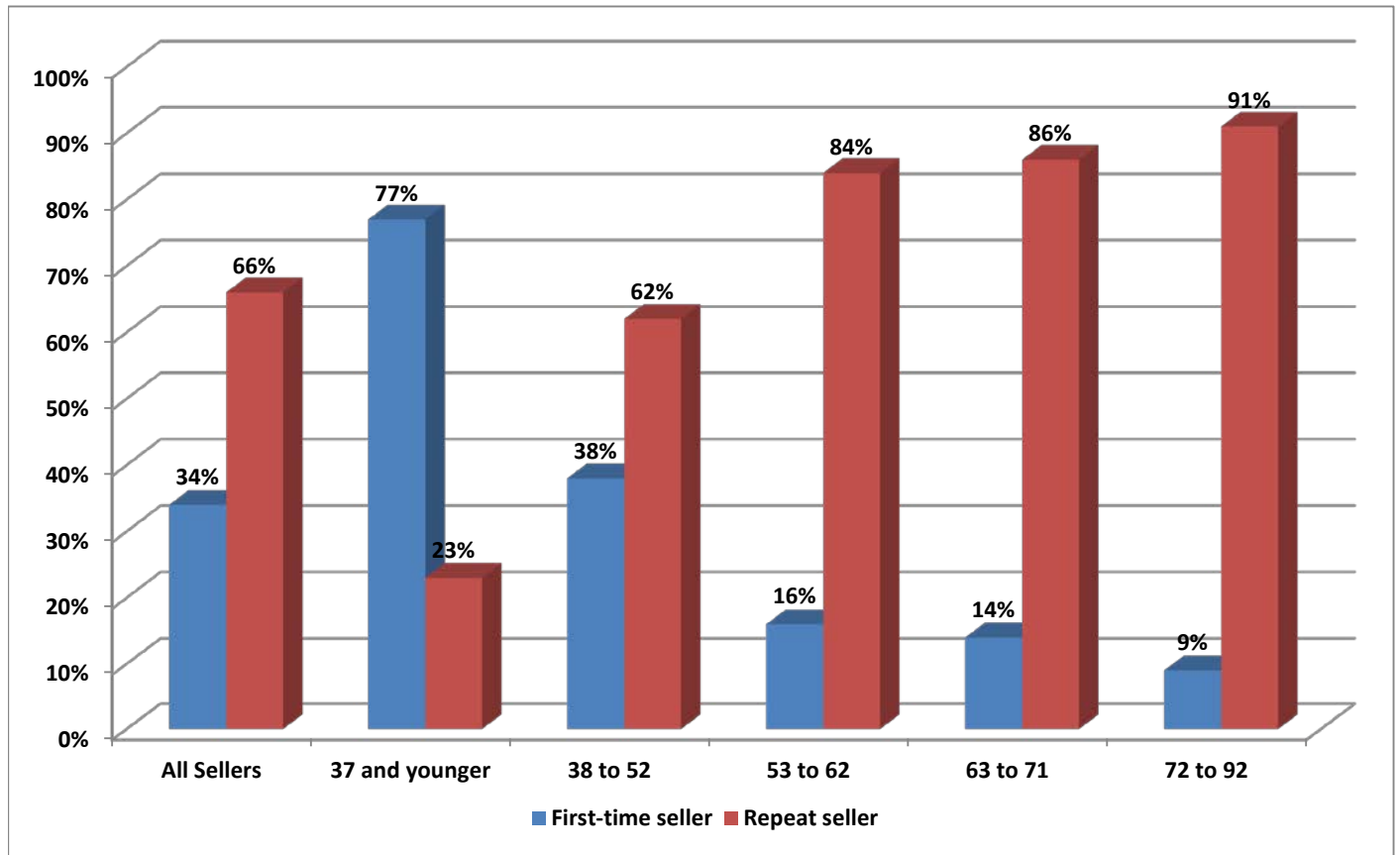


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-7

## FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

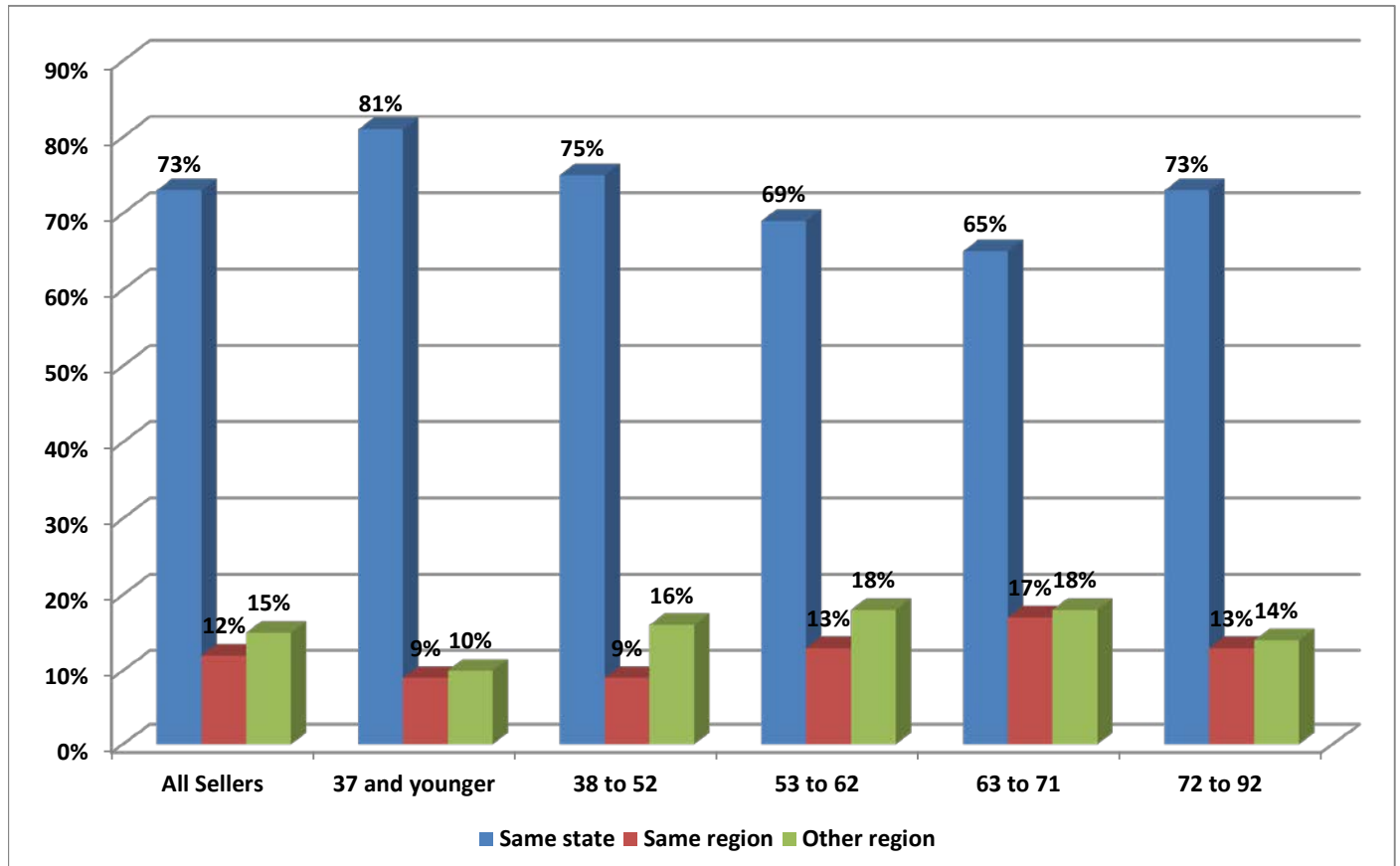


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-8

## PROXIMITY OF HOME SOLD TO HOME PURCHASED

(Percentage Distribution)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-9

### LOCATION OF HOME SOLD

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Suburb/Subdivision	52%	54%	58%	53%	46%	47%
Small town	18	18	17	16	20	17
Urban area/Central city	14	17	16	12	14	9
Rural area	13	10	8	17	17	19
Resort/Recreation area	2	*	*	*	3	7

\* Less than 1 percent

HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-10

**TYPE OF HOME SOLD**

*(Percentage Distribution)*

	All Sellers	AGE OF HOME SELLER				
		37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Detached single-family home	81%	79%	83%	84%	82%	76%
Townhouse/row house	6	9	6	6	4	5
Apartment/condo in a building with 5 or more units	4	6	4	3	3	2
Duplex/apartment/condo in 2 to 4 unit building	4	4	2	2	5	7
Other	5	3	4	5	7	10

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-11

### SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

*(Median Square Feet)*

	Size of home sold	Size of home purchased	Difference
All Buyers	1,900	2,100	200
37 and younger	1,600	2,300	700
38 to 52	1,900	2,400	500
53 to 62	2,100	2,000	-100
63 to 71	2,000	2,000	0
72 to 92	2,000	1,800	-200



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-12

### NUMBER OF BEDROOMS AND BATHROOMS

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
One bedroom	1%	1%	*	1%	*	*
Two bedrooms	14	17	11	10	14	18
Three bedrooms or more	86	83	87	89	85	82
<b>Median number of bedrooms</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
One full bathroom	17	25	19	14	12	9
Two full bathrooms	59	63	54	56	59	63
Three full bathrooms or more	25	11	26	29	29	29
<b>Median number of full bathrooms</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-13

### PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

*(Median)*

	Price of home sold	Price of home purchased	Difference
All Buyers	\$249,000	\$279,000	\$30,000
37 and younger	\$200,000	\$288,900	\$88,900
38 to 52	\$245,400	\$300,000	\$54,600
53 to 62	\$264,300	\$273,400	\$9,100
63 to 71	\$274,700	\$250,000	-\$24,700
72 to 92	\$247,000	\$245,000	-\$2,000

HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-14

**PRIMARY REASON FOR SELLING PREVIOUS HOME**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Home is too small	16%	34%	20%	8%	6%	5%
Want to move closer to friends or family	14	8	5	13	28	28
Job relocation	11	14	18	15	2	*
Neighborhood has become less desirable	10	11	14	9	9	8
Change in family situation (e.g., marriage, birth of a child, divorce)	9	11	10	10	6	9
Home is too large	9	2	6	14	12	23
Moving due to retirement	6	*	1	7	19	3
Want to move closer to current job	5	8	5	5	2	1
Upkeep of home is too difficult due to health or financial limitations	4	1	2	4	5	9
Schools became less desirable	3	4	6	*	*	*
Can not afford the mortgage and other expenses of owning home	2	1	2	3	1	1
Other	10	7	11	11	9	12

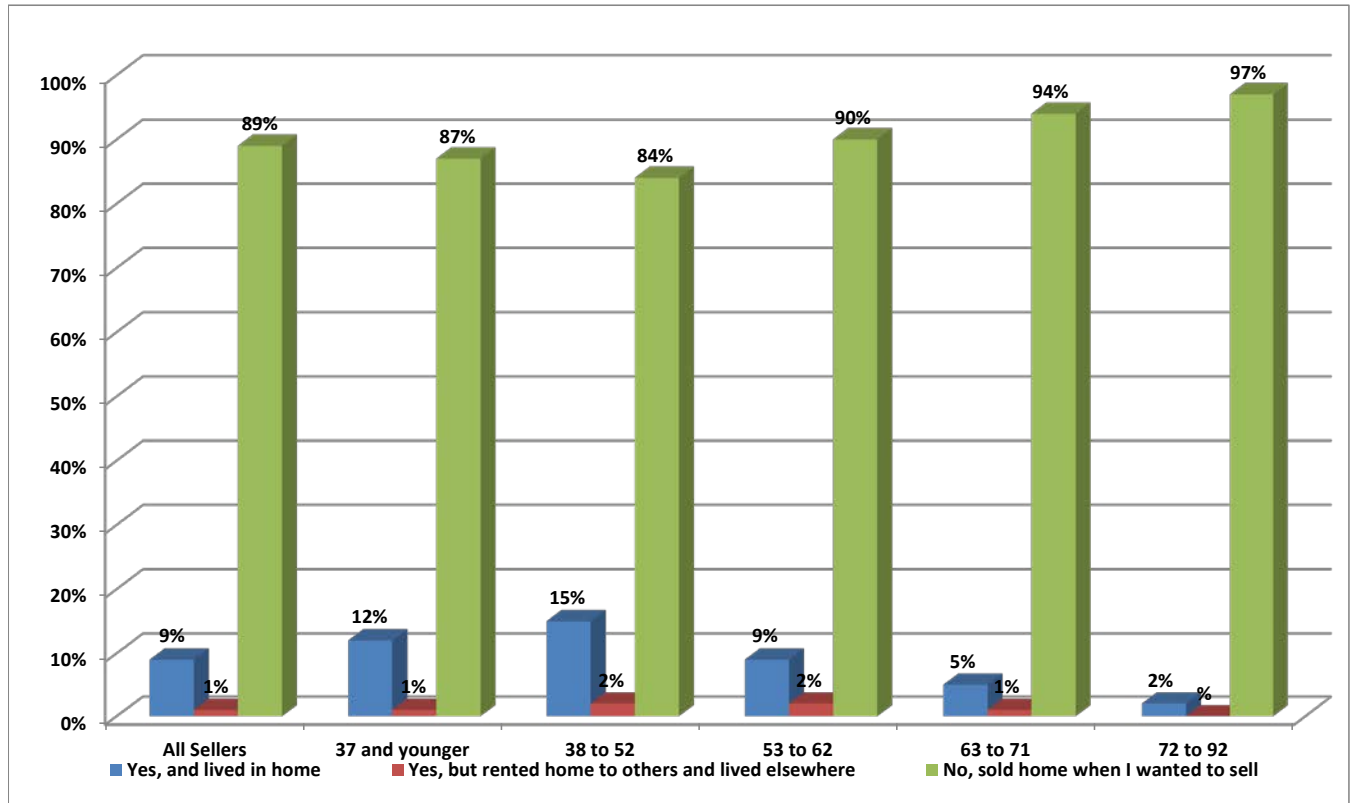
\* Less than 1 percent

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-15

## SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE

(Percentage Distribution)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-16

### TENURE IN PREVIOUS HOME

(Percentage Distribution)

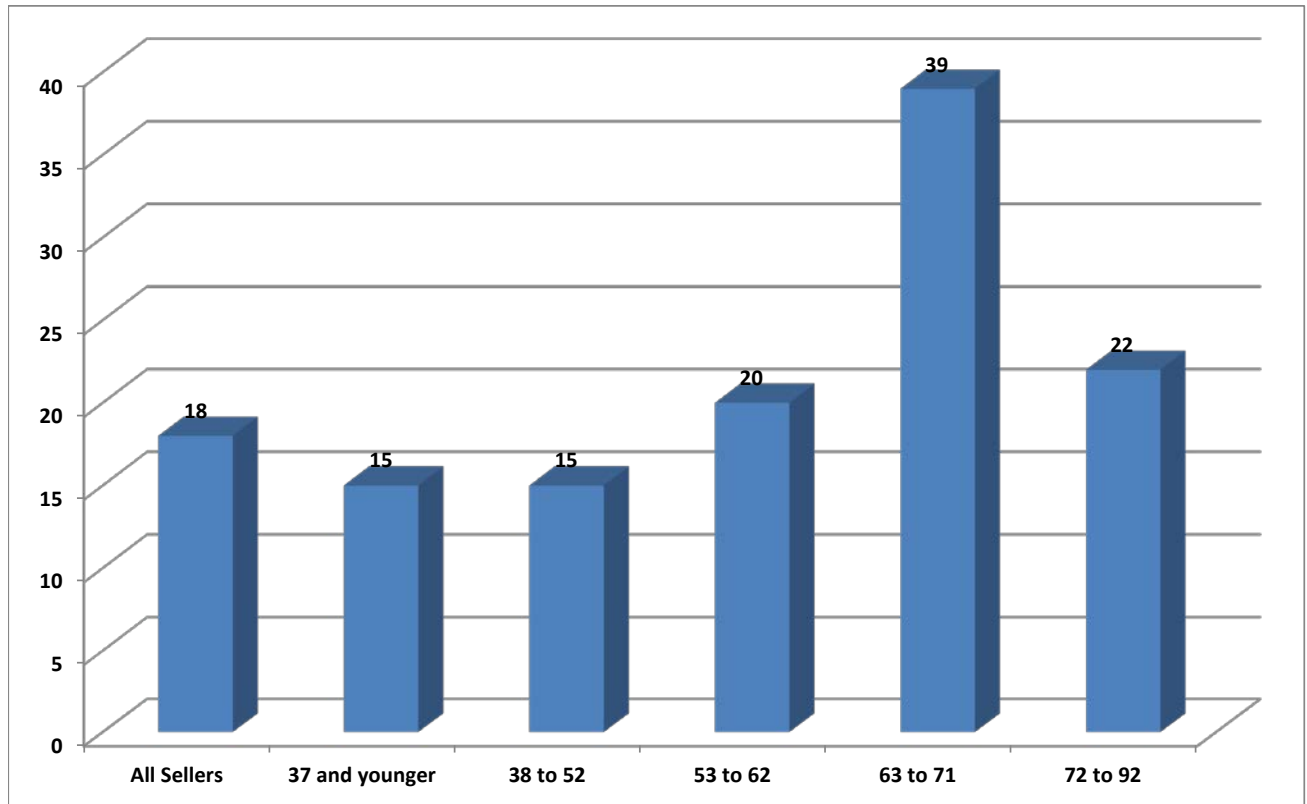
	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
1 year or less	4%	3%	6%	5%	3%	4%
2 to 3 years	10	20	13	6	5	6
4 to 5 years	12	24	11	9	7	5
6 to 7 years	10	19	11	6	8	5
8 to 10 years	14	25	16	14	10	5
11 to 15 years	21	8	29	24	18	24
16 to 20 years	11	1	9	14	16	12
21 years or more	17	NA	5	23	33	37
<b>Median</b>	<b>10</b>	<b>6</b>	<b>10</b>	<b>13</b>	<b>15</b>	<b>16</b>

NA=Not applicable

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-17

**DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD**  
(Median Miles)



HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-18

**METHOD USED TO SELL HOME**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
<b>Sold home using an agent or broker</b>	89%	90%	91%	88%	91%	83%
Seller used agent/broker only	87	88	89	85	90	82
Seller first tried to sell it themselves, but then used an agent	2	2	2	3	1	1
<b>For-sale-by-owner (FSBO)</b>	8	8	7	9	7	14
Seller sold home without using a real estate agent or broker	7	7	6	8	6	12
First listed with an agent, but then sold home themselves	1	1	1	1	1	2
<b>Sold home to a homebuying company</b>	*	*	*	*	*	1
<b>Other</b>	2	1	2	3	2	2

\* Less than 1 percent

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-19

### SALES PRICE COMPARED WITH LISTING PRICE

*(Percentage Distribution of Sales Price as a Percent of List Price)*

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than 90%	7%	4%	6%	8%	6%	13%
90% to 94%	13	11	13	14	15	15
95% to 99%	37	35	39	39	37	27
100%	28	29	27	24	28	32
101% to 110%	12	17	12	11	9	7
More than 110%	4	3	3	5	4	6
Median (sales price as a percent of listing price)	99%	99%	98%	98%	98%	99%



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-20

### NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Less than 1 week	6%	5%	5%	7%	7%	7%
1 to 2 weeks	40	48	42	36	38	30
3 to 4 weeks	11	10	12	10	13	9
5 to 6 weeks	6	7	7	6	5	7
7 to 8 weeks	7	7	7	8	7	9
9 to 10 weeks	3	4	3	3	4	3
11 to 12 weeks	6	7	7	6	5	9
13 to 16 weeks	4	4	4	5	5	3
17 to 24 weeks	5	4	4	6	5	9
25 to 37 weeks	4	2	4	4	5	4
38 to 53 weeks	3	1	3	4	3	4
53 or more weeks	3	1	2	3	4	5
Median weeks	3	2	4	4	4	6

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-21

### NUMBER OF TIMES ASKING PRICE WAS REDUCED

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
None, did not reduce the asking price	60%	67%	61%	54%	57%	56%
One	22	20	22	26	24	21
Two	10	8	10	11	12	12
Three	4	4	5	4	3	7
Four or more	3	1	2	4	3	3

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-22

### INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET

(Percent of Respondents)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
None	63%	58%	60%	62%	65%	74%
Home warranty policies	21	22	22	25	21	13
Assistance with closing costs	16	25	17	16	12	8
Credit toward remodeling or repairs	8	7	9	10	8	7
Other incentives, such as a car, flat screen TV, etc.	4	6	3	3	3	3
Assistance with condo association fees	*	*	1	*	*	1
Other	4	2	4	3	5	4

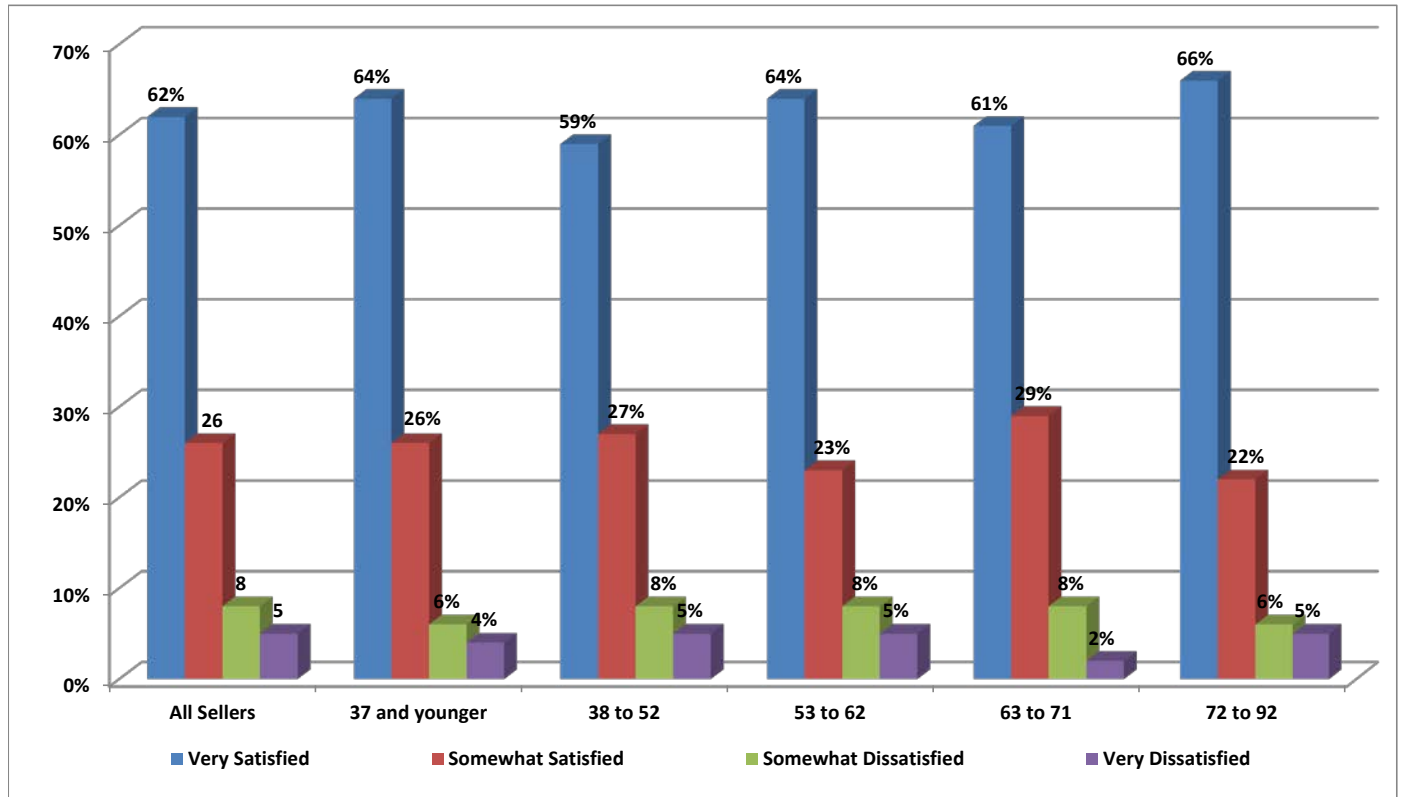
\* Less than 1 percent

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-23

## SATISFACTION WITH THE SELLING PROCESS

(Percentage Distribution)



HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-24

**EQUITY EARNED IN HOME RECENTLY SOLD**

*(Median)*

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Dollar Value	\$47,500	\$29,000	\$40,000	\$56,900	\$86,000	\$60,000
Percent	26%	18%	21%	30%	46%	40%

# NATIONAL ASSOCIATION OF REALTORS® 2018 Home Buyer and Seller Generational Trends

## Chapter 7: Home Selling and Real Estate Professionals

The need for a trusted real estate agent is still paramount. Personal relationships and connections remain the most important feature of the agent-buyer/seller bond. Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past. That number jumps to 71 percent for home sellers aged 37 and younger, as they rely highly in referrals.

Finding an agent had some variations by generation. Most commonly, real estate agents are referred by a friend, neighbor, or relative. For sellers 72 years and older, they found their agent through referral 36 percent of the time but were also likely to find one by personal contact with an agent and by walking into an office when agent was on duty more than any other generation. Sellers 52 years and younger were also more likely to get a referral through their employer.

Sellers 37 and younger were the most likely to recommend their agent (87 percent) compared to sellers 72 years and older (82 percent). The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 38 percent for sellers aged 37 years and younger.

### FINDING A REAL ESTATE AGENT Exhibit 7-1 through Exhibit 7-3

Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past to purchase their next home. That number jumps to 71 percent for home sellers aged 37 and younger, as they rely highly in referrals.

For sellers 72 years and older, they found their agent through referral 36 percent of the time but were also likely to find one by personal contact with an agent and by walking into an office when agent was on duty more than any other generation. Sellers aged 38 to 52 years and younger were also more likely to get a referral through their employer.

Three-fourths of recent sellers contacted only one agent before finding the right agent they worked with to sell their home. For sellers 37 years and younger, that number was more than eight in 10.

Fifty-three percent of sellers used the same agent to buy and sell their homes. Using the same agent is most common among sellers 37 years and under at 68 percent.



## HOME LISTED ON MULTIPLE LISTING SERVICE AND LEVEL OF SERVICE

### Exhibits 7-4 through Exhibit 7-5

Consistent with last year, 90 percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home. Only four percent opted not to list on a MLS. Ninety-two percent of sellers 37 years and younger listed on the MLS and 90 percent for sellers 38 to 52 and 63 to 71 years.

Real estate agents provide a wide range of services and conduct the management of most aspects of the home sale. Eighty-two percent of sellers reported that their agents provided the lion's share of these services. Nine percent of sellers note that their agent only provided a limited set of services and nine percent said their agent listed the home on a MLS but performed few other services. For sellers 38 to 52, 79 percent of their agents provided the broad range of services and management and 13 percent provided a limited set of services as requested by the seller. For sellers 53 to 62, 10 percent of agents listed the home on the MLS and performed only few services as requested by the seller.

## WHAT SELLERS MOST WANT AND LEVEL OF SERVICE

### Exhibit 7-6 through 7-7

Sellers place high priority on the following five tasks: market the home to potential buyers (21 percent), sell the home within a specific timeframe (20 percent), and price the home competitively (18 percent), find a buyer for home (15 percent), and help fix the home to sell better (15 percent).

As the largest home seller group by age, sellers 38 to 52 prioritized the following: sell the home within a specific timeframe (21 percent), market the home to potential buyers (18 percent), and help seller find ways to fix up home to sell for more (18 percent). Sellers 72 and older also wanted help finding a buyer (23 percent) and sellers 37 years and younger wanted help to price the home competitively (22 percent).

The reputation of the real estate agent was by far the most important factor when sellers selected an agent to sell their home (34 percent). Sellers also place value on the agent's trustworthiness and honesty (18 percent) and knowledge of the neighborhood at (12 percent). Agent's trustworthiness and honesty was near the top of the list for sellers 52 years and younger (21 percent), but not as important for sellers 53 years and older, who valued that the agents knowledge of the neighborhood more than other generations. Agent was a friend or family member was most important to sellers 37 years and younger (20 percent).



## METHODS USED TO MARKET THE HOME

### Exhibit 7-8

Real estate agents list homes on MLSs first and foremost (87 percent). They also display yard signs (68 percent), list on Realtor.com (51 percent), host an open house (51 percent), list the home on their website (50 percent), and list on their company's website (45 percent). Real estate agents also list homes on social media (17 percent), which is up from last year. Sellers 37 years and younger were the most likely to work with agents who market on social media at 29 percent, 22 percent for sellers 38 to 52, and 14 percent for sellers 53 to 62 years.

Listing in newspapers (16 percent) was important for sellers 72 years and older and listing in online websites with real estate listings (11 percent) was important for sellers 53 to 62 years.

## AGENT'S PERFORMANCE AND COMPENSATION

### Exhibit 7-9 through 7-11

The real estate agent most often initiated the discussion of compensation (48 percent), which is consistent with the year before. The client initiated the discussion and the agent negotiated 20 percent of the time. In 15 percent of cases, the client did not know that commissions and fees could be negotiated. Sellers 52 years and younger were the most likely not to know that commissions and fees could be negotiated. Sellers 63 to 71 years brought up the topic of compensation but found their agents unable or unwilling to negotiate (10 percent).

Client referrals and repeat business are the predominant sources of business for real estate agents. Most sellers — 75 percent — said that they would definitely (67 percent) or probably (eight percent) recommend their agent for future services. Sellers 37 and younger were the most likely to recommend their agent (87 percent) compared to sellers 72 years and older (82 percent). The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 38 percent for sellers aged 37 years and younger.





## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-1	METHOD USED TO FIND REAL ESTATE AGENT
Exhibit 7-2	NUMBER OF AGENTS CONTACTED BEFORE SELECTING ONE TO ASSIST WITH SALE OF HOME
Exhibit 7-3	DID SELLER USE THE SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE?
Exhibit 7-4	HOME LISTED ON MULTIPLE LISTING SERVICE
Exhibit 7-5	LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT
Exhibit 7-6	WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS, BY LEVEL OF SERVICE PROVIDED BY THE AGENT
Exhibit 7-7	MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME, BY LEVEL OF SERVICE PROVIDED BY THE AGENT
Exhibit 7-8	METHODS REAL ESTATE AGENT USED TO MARKET HOME
Exhibit 7-9	NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT
Exhibit 7-10	WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS
Exhibit 7-11	HOW MANY TIMES SELLER RECOMMENDED TYPICAL AGENT

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-1

**METHOD USED TO FIND REAL ESTATE AGENT**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Referred by (or is) a friend, neighbor or relative	41%	45%	43%	38%	41%	36%
Used agent previously to buy or sell a home	23	26	23	24	22	20
Personal contact by agent (telephone, email, etc.)	5	1	3	5	8	10
Internet website (without a specific reference)	5	5	5	5	4	2
Visited an open house and met agent	4	4	4	4	3	4
Referred by another real estate or broker	3	4	2	4	4	4
Saw contact information on For Sale/Open House sign	2	2	2	3	2	3
Referred through employer or relocation company	2	2	4	1	1	*
Direct mail (newsletter, flyer, postcard, etc.)	2	*	2	3	2	2
Walked into or called office and agent was on duty	1	1	*	1	2	5
Newspaper, Yellow pages or home book ad	*	*	*	1	*	1
Advertising specialty (calendar, magnet, etc.)	*	1	1	*	*	*
Crowdsourcing through social media/knew the person through social media	*	1	*	*	*	*
Saw the person's social media page without a connection	*	*	1	*	*	*
Other	10	8	11	10	10	14

\* Less than 1 percent

## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-2

### **NUMBER OF AGENTS CONTACTED BEFORE SELECTING ONE TO ASSIST WITH SALE OF HOME**

*(Percentage Distribution)*

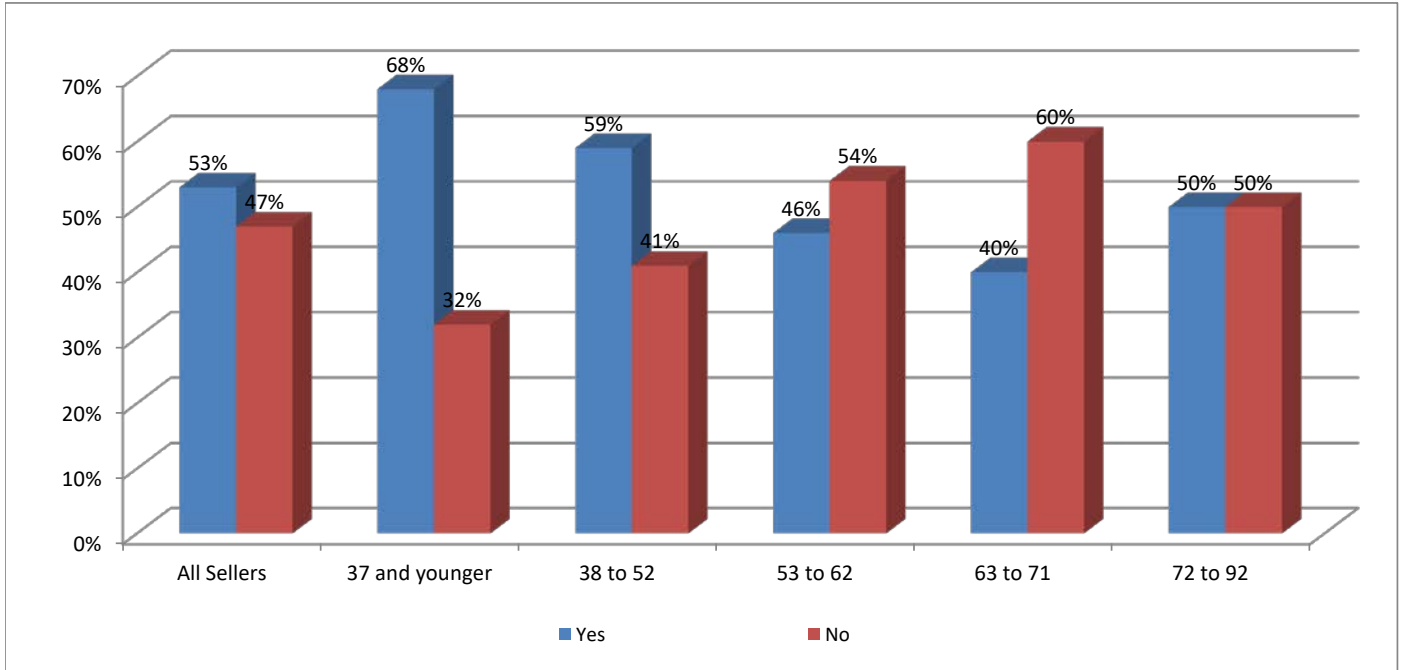
	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
One	74%	83%	76%	71%	70%	71%
Two	15	10	16	16	17	18
Three	7	4	6	8	9	7
Four	2	1	2	4	1	3
Five or more	1	1	1	2	2	1

# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-3

## DID SELLER USE THE SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE?

(Percentage Distribution Among Sellers Who Used an Agent to Purchase a Home)

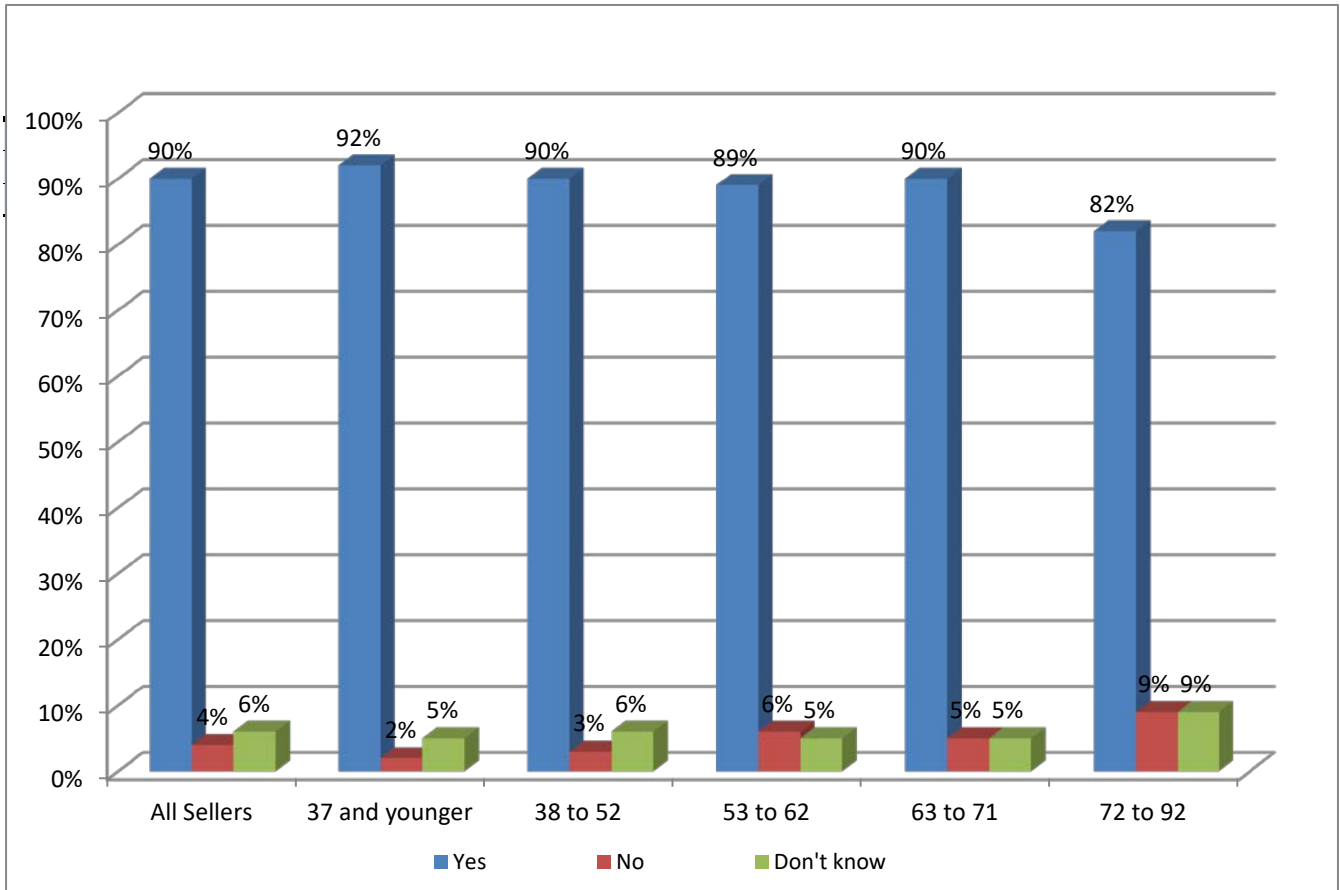


# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-4

## HOME LISTED ON MULTIPLE LISTING SERVICE

(Percentage Distribution)



# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-5

## LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
A broad range of services and management of	82%	84%	79%	82%	85%	83%
A limited set of services as requested by the seller	9	7	13	8	7	8
The agent listed the home on the MLS and performed few if any additional services	9	9	9	10	8	9

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-6

**WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS, BY LEVEL OF SERVICE PROVIDED BY THE AGENT**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Help seller market home to potential buyers	21%	18%	18%	22%	24%	23%
Help sell the home within specific timeframe	20	21	21	19	20	14
Help price home competitively	18	22	16	15	18	15
Help find a buyer for home	15	10	13	19	16	23
Help seller find ways to fix up home to sell it for more	15	18	18	14	10	10
Help with negotiation and dealing with buyers	6	6	6	5	7	4
Help with paperwork/inspections/preparing for settlement	3	3	4	3	2	4
Help seller see homes available to purchase	1	1	2	1	1	1
Help create and post videos to provide tour of my home	1	*	1	*	*	5
Other	1	*	1	1	1	2

\* Less than 1 percent

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-7

**MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME, BY LEVEL OF SERVICE PROVIDED BY THE AGENT**

*(Percentage Distribution)*

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Reputation of agent	34%	35%	29%	34%	36%	41%
Agent is honest and trustworthy	18	21	21	17	15	12
Agent is friend or family member	16	20	18	14	11	11
Agent's knowledge of the neighborhood	12	6	11	12	16	19
Agent has caring personality/good listener	5	3	5	6	4	7
Agent's commission	4	5	3	3	4	1
Agent's association with a particular firm	3	2	2	3	4	5
Agent seems 100% accessible because of use of technology like tablet or	3	3	3	3	3	1
Professional designations held by agent	1	*	1	2	1	1
Other	4	4	7	4	4	2

\* Less than 1 percent



## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-8

### METHODS REAL ESTATE AGENT USED TO MARKET HOME

(Percent of Respondents Among Sellers Who Used an Agent)

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Multiple Listing (MLS) website	87%	89%	88%	85%	88%	82%
Yard sign	68	69	65	69	69	66
Realtor.com	51	52	56	51	49	32
Open house	51	48	51	56	47	45
Real estate agent website	50	51	49	52	48	40
Real estate company website	45	41	41	52	47	40
Third party aggregators	44	60	50	40	36	21
Social networking websites (e.g. Facebook, Twitter, etc.)	17	29	22	14	9	4
Video	11	6	9	10	14	15
Print newspaper advertisement	10	4	5	13	14	16
Direct mail (flyers, postcards, etc.)	10	9	10	11	10	8
Online classified ads	9	7	7	10	10	15
Other websites with real estate listings	7	7	6	11	7	6
Real estate magazine website	5	3	5	8	7	5
Real estate magazine	5	3	4	7	9	3
Video hosting websites	3	2	2	4	3	4
Television	1	1	1	3	1	2
Other	3	2	3	4	5	4

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-9

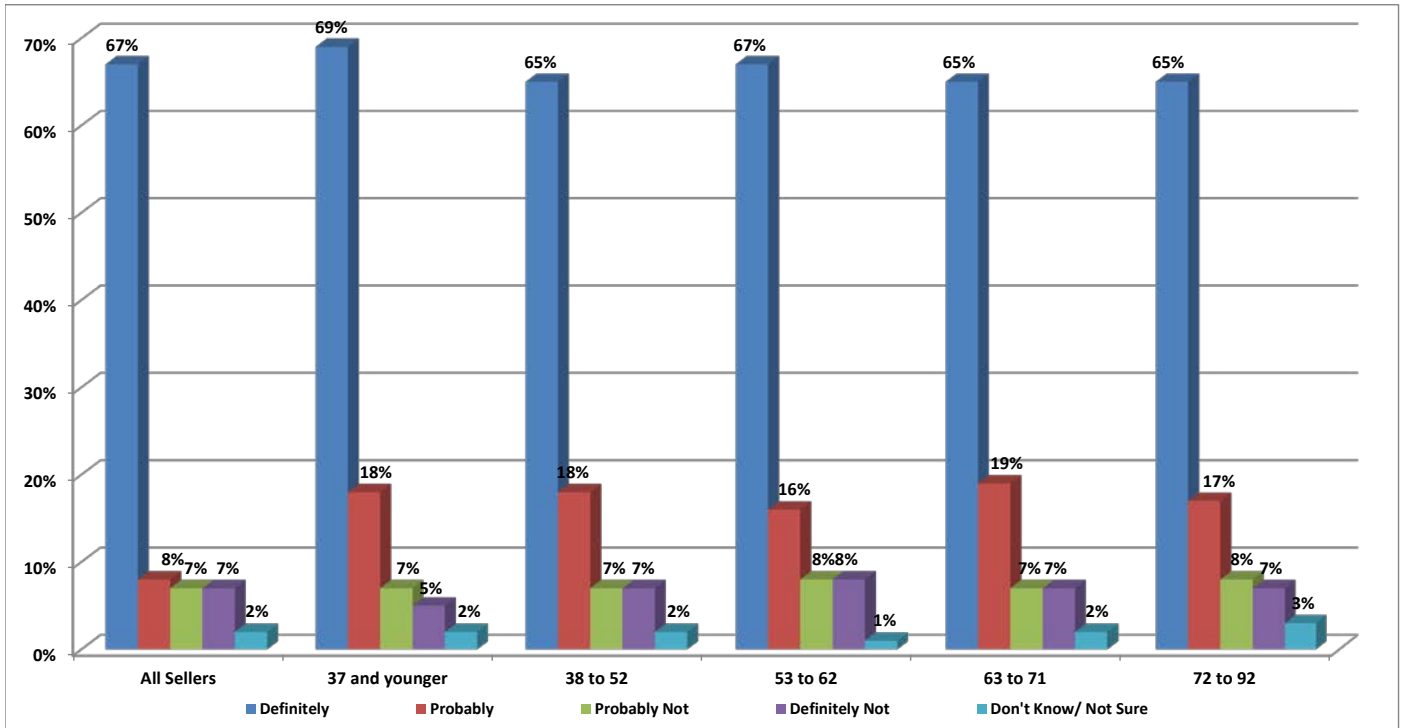
**NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT**

*(Percentage Distribution)*

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
Real estate agent initiated discussion of compensation	48%	48%	46%	48%	52%	48%
Client brought up the topic and the real estate agent was able and willing to negotiate their commission or fee	20	18	18	30	20	23
Client brought up the topic and the real estate agent was unwilling or unable to negotiate their commission or fee	8	5	7	9	10	6
Client did know commissions and fees could be negotiated but did not bring up the topic	10	12	10	11	7	9
Client did not know commissions and fees could be negotiated	15	18	19	12	12	13

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-10  
**WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS**  
 (Percentage Distribution)



HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-11

**HOW MANY TIMES SELLER RECOMMENDED TYPICAL AGENT**

*(Percentage distribution)*

	AGE OF HOME SELLER					
	All Sellers	37 and younger	38 to 52	53 to 62	63 to 71	72 to 92
None	37%	28%	36%	37%	43%	46%
One time	13	16	12	14	13	9
Two times	18	17	18	17	16	17
Three times	11	14	10	9	10	11
Four or more times	22	24	25	23	19	16
Times recommended since buying (median)	2	2	2	1	1	1

# Methodology

In July 2017, NAR mailed out a 131-question survey using a random sample weighted to be representative of sales on a geographic basis to 145,800 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2016 and June of 2017. A total of 7,866 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 5.6 percent.

Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Information about sellers comes from those buyers who also sold a home.

All information in this Profile is characteristic of the 12-month period ending June 2017, with the exception of income data, which are reported for 2016. In some sections comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the 2017 Investment and Vacation Home Buyer Survey, 70 percent of home buyers were primary residence buyers, which accounts for 4,207,000 homes sold in 2016. Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.10%.

The definitions of the generations used to distinguish home buyers and sellers were based on a study published in the REALTOR® University's Center for Real Estate Studies journal article titled, *Generational Trends in Homeownership: An Era of Renters?* by Glenn E. Crellin. Additional splitting of older baby boomer age groups and younger baby boomer age groups was modeled on research from the Pew Research Center, *Generations 2010*.

	<b>Year Born:</b>	<b>Age in 2017:</b>
<b>Younger Gen Y/Millennials:</b>	1990-1998	27 to 20
<b>Older Gen Y/Millennials:</b>	1980-1989	28 to 37
<b>Gen X:</b>	1965-1979	38 to 52
<b>Younger Boomers:</b>	1955-1964	53 to 62
<b>Older Boomers:</b>	1946-1954	63 to 71
<b>Silent Generation:</b>	1925-1945	72 to 92

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